FINANCIALTIM

has failed

economy Radical measures to demolish

Radical measures to demolish state control over areas of the Soviet economy, including liberalising prices and introducing some form of rouble convertibility, are planned to be introduced by July 1. Details of the reform package were revealed yesterday, confirming that the Soviet Union will attenue a drastic acceleration attempt a drastic acceleration of progress towards a market economy. Page 18

Chinese leader quits Deng Xiaoping, the 85-year-old senior leader of China, will resign as chairman of the state military commission, his last formal post, at China's National People's Congress which opens today. Page 8

Israel condemned

Former US president Jimmy Carter, in Israel on a tour of the Middle East, strongly con-demned Israeli human rights violations against Palestimans in the occupied West Bank and

Basque attack

Basque separatists claimed responsibility for killing a prison officer in an attack last week which set off strikes and riots at jails throughout Spain. Gang leader jailed

A court in southern Vietnam has jailed a man for 20 years for running a gang that arranged for about 1,000 boat people to flee the country.

Soviet murder riddle A wave of 59 unsolved murders of Soviet military officers, ranging from lieutenant to gen-eral, is causing grave concern within the High Command.

Democratic Kuwaitis Kuwait's Crown Prince said that wide consultations with Kuwaitis showed they favoured a return to parliamentary democracy but under rules different from those of the assembly dissolved in 1986.

Iraq has told Sweden that Jalil Mehdi al-Neamy, a Swedish national held in Baghdad since

Iraq sets date

last August, will be put on trial iste next month. Fighters for Libya France has released three Mirage fighter aircraft to Libya, ending a rift between the two countries and renew-

ing its defiance of a 1986 Euro-

pean embargo. iceland earthquake Iceland was hit by an earthquake measuring almost five on the Richter scale which rocked Reykjavik, causing panic but little damage.

Punjab violence At least 29 people were killed in an upsurge of violence in Punjab during the Sikh militant campaign for an indepen-

Sudan food appeal The World Food Programme has appealed for \$11.8m to transport food to more than two million people displaced by civil war in southern Sudan. The UN will start moving 100,000 tons of supplies to

the area next month. Swiss AIDS fund

The Swiss Government said that state funds for AIDS research in the country, which has the highest per capita case rate in Europe, should be douhled in the next two years.

S African summit

Leaders of 12 African nations met for a one-day summit to help speed up political reforms in South Africa and to discuss the guerrilla wars in Angola

Baseball strike ends The 32-day lockout of America's baseball players by the owners of Major League base-ball clubs has ended. Play will start on April 9. Page 18

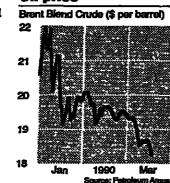
Nikkei falls as investors succumb to uncertainty

THE Tokyo stock market suffered its third-biggest fall as investors succumbed to a new wave of uncertainty about the outlook for the yen and for interest rates.

The Nikkei index dropped 1353.20 points to close at 31,263.24, its lowest level for more than a year. The index has now fallen by almost 20 per cent since hitting an all-time high at the end of 1989. The yen hit a three-year low against the collar in Tokyo of Y153.80. Page 18. Japanese equity warrants, Page 19. Gov-ernment bond report, Page 25. Markets, back page, sec-

OIL Prices fell sharply as mar-kets responded to the meeting of Opec ministers that concluded on Saturday. Traders said the meeting offered no

Oil price



clear indication that current high levels of Opec production, at roughly 23.7m barrels a day, would be cut. Commodities,

BRITISH Petroleum expects to save \$500m a year in operating costs when the benefits of its programme to reorganise corporate headquarters and change management practices are realised. Page 25. Lex,

FRANCE'S state army equipment concern GIAT has entered a last minute bid to build the British Army's next

BRAZIL'S financial and stock markets were virtually nara lysed as traders sought urgent guidance on how to implement the country's drastic anti-inflation plan. Page 18

SOVIET Union and US have opened four days of talks aimed at dismantling barriers to bilateral trade and extending a multi-billion dollar pact that governs US grain sales to the Soviet Union. Page 9

YUGOSLAVIA announced a \$600m standby arrangement with the IMF aimed at checking inflation and restructuring the country's ailing economy.

BOC Group, UK-based industrial gases company, is to invest a further \$4m to modernise a commercial helium plant at Odolanow in Poland.

EUROPEAN Community proposes to abolish or reduce barriers to imports of tropical products currently valued at Eculo.4bn (\$12.3bn) a year as part of its contribution to a successful outcome of the Uruguay Round of Gatt. Page 9 SAINSBURY, UK supermarket

chain, awarded its 60,000 retail staff pay increases of between 8.5 and 20 per cent in an effort to cut staff turnover. Page 11 UK is to mount a campaign in the EC and the OECD to persuade other industrial coun

tries to curb spending on offi-cial export credits. Page 9 TAX row between Sweden and Belgium, involving millions of dollars of "unpaid" Swedish property taxes, looks close to being resolved.Page 4

MINORCO: New York judge has ruled that Minorco's South African links should have no bearing on its ability to do business in the US. Page 20

THE D-Mark surged on foreign exchange markets yesterday in response to the conservative parties' victory in the East German elections, write Rachel Johnson and Peter Nor-man in London.

The result was perceived by the markets as an end to uncertainty about the status of the currency about the status of East Germany and the D-Mark. The currency was bolstered by the prospect that the centre-right coalition government of Mr Helmut Kohl, the West German Chancellor, would be re-elected in December. New-found confidence in the ability of Mr Kohl to speed uni-

fication and monetary union

ATTEMPTS TO form East Germany's first democratic

government ram into immediate trouble yesterday when an offer by the victorious centre-

right Alliance for Germany of a

coalition with the humiliated Social Democrats was turned

down. Political uncertainty was

accompanied, however, by raised expectations of swift

economic union. Mr Lothar de Maiziere, the Prime Minister-designate who leads the Chris-

tian Democrats, the largest party in the Alliance, said he supported rapid monetary

union. He told a press conference the rest of the Berlin Wall

would come down "as quickly as possible."

The Alliance, which won 48 per cent of the vote, offered coalition to the liberal Free Democratic Alliance, which won 5 per cent, and the Social Democrats with 22 per cent. The SPD, however, said it would not join a government which included the smaller right-wing party, the German Social Union, a member of the Alliance, which won 6 per cent. If the SPD sticks to this refusal it might be difficult for

refusal it might be difficult for

a new government to gather the two-thirds of Volkskammer

(parliamentary) votes required to dissolve the East German

constitution and merge with

West Germany. Mr Konrad Elmer, an SPD

executive member, said his

party was not merely staking out a negotiating position. "I think we will be working in

the opposition."
The SPD might be hoping to

avoid association with some of

the unpopular decisions a short-lived East German gov-

ernment will have to take. On

The Alliance, which won 48

carried West German equities higher. The 30-share Dax index closed 17.08 points up at 1,906.77, below the day's high of 1,931.08. Sterling was the main casualty of the D-Mark's strength.
It was driven to a record low

against the German currency against the German currency
on the eve of today's first
annual budget speech by Mr
John Major, the UK Chancellor
of the Exchequer.
Although Mr Major's instinct
is to give priority to solving
the economy's problems, financial markets fear his budget
will produce vote atching

will produce vote-catching measures to shore up the Gov-ernment's declining electoral

Attempts at East German

fortunes, rather than the

Yesterday's turmon began in Tokyo where the stock market suffered its third biggest fall ever, of 4.15 per cent. The Nikkel index dropped 1,353.20 points to close at 31,263.24, its lowest level for more than a year. Buying of the German

year. Buying of the German currency weakened the yen to a three-year low against the dollar of Y153.5.

Sterling sank to its lowest-yet Frankfurt fixing of DM 2.72, down from 2.756 on Friday. The previous record fixing low of DM2.721 was reached on December 29, 1989. In London. December 29, 1989. In London, the pound closed at DM 2.7125,

and lost 1.25 cents to close at UK stocks and government bonds weakened. The FT-SE index lost 25.9 points to close

Analysts said an announce-ment about Britain's entry to the exchange rate mechanism would help to arrest sterling's would neep to arrest stering's slide and that a tight Budget outlining tax increases, savings incentives, or a resolution of the Government's funding policy would help the markets to regain confidence in the round.

Tokyo market fall and Lex, Page 18; World Stock Markets, Back Page, Section II.

D-Mark strengthened by rush of confidence Sterling against the D-Mark (DM per E)

Delight is tempered by

WESTERN delight at the rebirth of democracy in East Germany was tempered yester-

Avoiding any overt insistence on the neotrality of a united Germany, he said its "military-political status" should be combined with the

of East Germany."
Also emphasising the European dimension was Mr Ockar. Lafontaine, who confirmed he would stand as the opposition Social Democrat in December's federal election. But he said the present alliances should be superseded. "In security matters we will strive for an understanding with our Euro-pean neighbours in East and West, as well as with the USA. the USSR, and Canada. The Background, Pages 2, 3; Edito-

coalition spurned by SPD unification By Our Foreign Staff The Alliance also said yesterday that it intended to appoint Mr Elmar Pieroth, a leading West German politician, as its

Economics Minister. Mr Pier-oth is a former Christian Dem-ocrat Economics Minister in West Berlin.
Leading West German politi-cians vied with each other yesterday in the wake of the elec-tions to insist that the impending unification of the two countries was a European and just a national affair.

and just a national affair.
Putting the future of a unified Germany in the European perspective, Mr Helmut Kohl, West German Chancellor, sald a future Germany could not be non-aligned. "It would not be in Europe's interest if a united Germany were left to its own devices as far as its security is concerned. That would not lead to more stability in Europe, rather it would carry the seed of a new instability."

Thus the future united Ger-

Thus the future united Germany should stay in the West-ern alliance. "For this, it would be necessary to negotiate a transitional military arrange-ment for the present territory

tion but said: "We will just have to work hard at getting our different message across." Continued on Page 18 rial comment, Page 16; A vote for Anschluss, Page 17; Moscow plans for market economy, Page 18

concern on

day by concern over the impli-cations of hasty unification and the question of a united Germany's place in Nato. In Moscow, the Soviet Union prolyingly accepted the alex-

grudgingly accepted the elec-tion outcome but insisted that tion outcome but insisted that the new government respect both obligations and Soviet interests. "We accept the choice," said Mr Gennady Genasimov, the Soviet Foreign Ministry spokesman.

Expressing concern that there might now be a rush to unification, he said: "Make haste slowly... This is our motto. Of course we are concerned, because we believe it is

cerned, because we believe it is a process which must go step by step and not happen overnight. We want to synchronise the process with the European integration process."

new European structures of

security.

Its military potential should
be "in keeping with the principle of reasonable sufficiency,"
and measures for its demilitarisation should apply to both parts of the country.

Soviet Union might have lost an ally "if you approach the situation in confrontational terms. If you look at it from the point of view of building a common European home, then you have new neighbours, and you respect their interests. It is not a disaster. It is just a pro-

However, he sharply critic-Continued on Page 18

US group of companies to buy key division of Perkin-Elmer

D 8523A

By Louise Kehoe in San Francisco

Six big US companies have formed a team to acquire the Electron Beam Technology division of Perkin-Elmer, along with current and former manwith current and former managers, in a move intended to keep technology within the US. International Business Machines, Grumman, DuPont. Micron Technology and Zitel will join Perkin-Elmer as equity partners in the newly formed ETEC Corporation, which will manufacture Rectron Beam lithography equipment used in the manufacture of semiconductor chips.

ment used in the manuscrare of semiconductor chips.

Last year Perkin-Elmer amounced plans to divest its semiconductor production equipment operations, raising fears within the US semiconductor industry and in Washington that its advanced semiconductor production conductor production equipment technology might come under foreign control. Perkin-Elmer had been reported to be involved in dis-cussions with a number of major Japanese electronics

companies.
Yesterday, the participants in the formation of ETEC stressed the importance of retaining US ownership of the company. We consider ETEC to be in direct support of the national interest to strengthen critical technologies and improve US competitiveness," said Charles Minihan, chair-man of ETEC, and a former Perkin-Rimer executive. "This is a prime example of US industry co-operation and teamwork."

teamwork."

"This partnership will ensure that technology will to the US photomask business remains in the US," said Jerry Henry, group vice president in charge of Du Pout Electronics.

As a pionear in the development and use of Electron Beam lithography, IBM is contributing its own E-beam technology to the new company as well as making a financial investment. "We will litemas technology required to help ETEC become a leadership company in Electron Beam technology," said Mr Jack Kuehler, IBM president. IBM has used E-beam equipment to make the photomasks used in chip production.

E-beam is expected to become a vital element of chip production technology in the future as chip density increases to crain more and more circuits onto a single chip of silicon.

The former and current Per-kin-Elmer managers who have formed ETEC will own a significant share in the company.

man opposition groups, which took 3 per cent of the vote. ation with the PDS in opposithe other hand as it supports London equity market reform proposals meet fierce criticism

Christian Dem

their victory yesterday

the principle of unity it will have to back the Government

on some issues, and might suf-fer from association with the second largest opposition group the PDS (the former Communists).

Mr Elmer accepted there was

a danger of too close an associ-

By Richard Waters In London

LONDON'S International Stock Exchange yesterday published details of reform proposals but its chairman, Mr Andrew Hugh Smith, said securities houses were likely to oppose some of

them strongly.

The proposals, which were laid before the exchange's ruling council yesterday but not voted on, seek to overhaul the exchange's domestic equity market and are designed to refine the market system introduced in 1986.
Further erosion of profits, in

an industry already suffering from overcapacity, is likely to result from some of them. Mr Hugh Smith, in a letter to member firms outlining the competitive impact of two key suggested changes, pointedly failed to give the council's view of them. By contrast, other recommendations in the paper prompted "a preliminary favourable view."

Mr Hugh Smith sald opposi-

tion had been voiced to some of the proposals during the

Mr Nigel Elwes, finance director of Warburg Securities and chairman of the committee which drew up the proposals, said the reforms were not radi-cal but involved "fine tuning and adjusting."

However, some aspects have already drawn strong reactions Mr Elwes said retail inves-tors have had "a raw deal out

of the market" and the changes would help to reverse this.
This was denied by Mr Hugh
Smith, who said individual investors had suffered higher costs since the 1986 reforms only because they were no longer being subsidised by institu-tional investors.

The most controversial change would involve the creation of an automated second-tier market for small deals, in which the market maker quot-ing the keenest price in a par-ticular share would always win

clients' business, even if others in the market were prepared to match the price themselves. Securities houses fear that this would lead to fiercer price competition and that it would establish a precedent that could eventually be applied to larger, more profitable transac-

Lother de Maizaire (left) and

The PDS, which won 16 per cent of the vote, seems in any

case to be making overtures to

the small Bundnis 90, a group-ing of the original East Ger-

Democtratic Awakening Party leader Rainer Eppelmann after

The second proposal likely to prompt opposition is the plan for an order-driven market, to be known as Close, said Mr lugh Smith. This would involve matching

buyers and sellers, rather than tiness passing through market makers, and has been attacked by market makers who fear that it would undermine the existing quote-driven market system.

The two changes could not

be brought in for at least 18 months, because of the need to upgrade the exchange's electronic services.

Other proposals in the report, which has been released for consultation until

FT-SE 100: 2,238.0 (-25.9)

FT Ordinary: 1,759.9 (-29.5)

1,111.57 (-1.1%)

FT-A All-Sh

from securities houses. They are concerned about two protions as well. posals designed to make the stock market more attractive for individual shareholders.

MARKETS

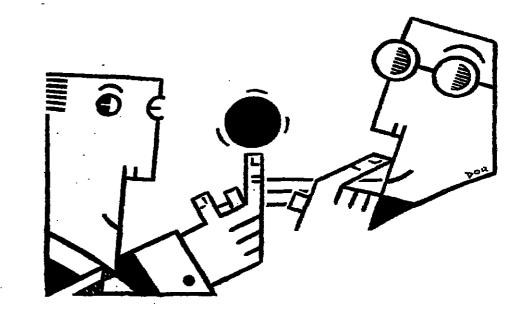
New York lunchtime: \$1.6112

\$1.612 (1.6245) DM2.715 (2.7525)

Continued on Page 18

BANK ON A BANK THAT'S TO THE POINT.

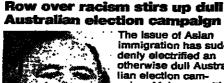
A waste of words is also a waste of time and money. With our vast information resources we can get to the point quickly, to give constructive advice without juggling words. This is just one of the reasons why we have become one of the largest banks in West Germany, with a balance sheet total of over DM 109 billion. If you're looking for an international business partner, bank on our precision.



CONTENTS

Canada: Trudeau ready to enter bitter row on Chinas People's Congress faces tough dec sions on economy nt Kohl's famous victory; a bold start in Brazil ---A vote for Anschlasse How East Germans decided the fate of Europe Lex Currencies; British Petroleum; Berisford; mt: When a company gets too big

for its founder to drive . Surveyer European high technology; Opencasi Britain 10,11
Companies 27-31
Arts Guide + Reviews 15
Commercial Law 12
Commodities 36
Crossword 44
Currencies & money 44 Editorial Comment Financial Futures



immigration has suddenly electrified an lian election campaign. Main opposition leader, Andrew Peacock (left), has been accused of playing the "Japan card",

FFr9.1725 (9.3) SFr2.4325 (2.45) Y247.5 (247.5) E index 85.9 (86.6) GOLD New York: Comex Apr \$402.6 London: \$402.75 (400.625) N SEA OIL (Argus) Brent 15-day \$18.225 (18.625) Chief price changes vesterday: Page 19

New York hus DM1.68275 FFr5.8925 SF:1.507 Y163.1 DM1.683 (1.6945) FFr5.69 (5.7250) SFr1.5085 (1.5080) Y153.5 (152.30)

\$ index 68.2 (same) Tokyo close: 153.55 US Lanchtime R Fed Funds 814% 3-mo Treasury yield: 8.153% Long Bond: 99.3 yield: 8.56%

DJ Ind. Av. 2,721.85 (-19.37) S&P Comp 340.12 (-1.79) Tokyo: Nikkel 31,263.24 (-1,353:3) LONDON MONEY closing 15& (15) Little long gift tuture June 83-2 (83-2)

East votes to become Bonn's biggest depressed region

By David Goodhart in East Berlin

THE East German's preference for the "quick fix" approach to unity will speed up a process already under way. But what will it mean for the concany, the political scene, the city of Berlin and the Soviet troops stationed in East Germany?

The economy: The East Germans

have voted to transform their country into West Germany's largest

depressed region.
Currency union is now likely in a matter of weeks rather than months. The new East German parliament will quickly sweep away the few remaining legal obstacles to an open capitalist economy, and repeal the recent trade union law. The tricky legal and social problem of West Germans' claims on their former property in East Germany will have to be

A new and better social security system - paid partly by West Germany and partly by worker contribution - will be established. The polluting brown coal-dependent energy economy will be closed down quicker than envisaged and within two years East Germany will be receiving a high proportion of its electricity from West Germany.

will be bitter political disagreements about how to shape it. A lot of institutions which have remained largely unchanged during the period between the collapse of the old regime and the election will now see key personnel changes. Communal elections are planned for May.

The five former states of East Germany will be legally re-established and länder elections will take place in August or September, Mr Richard von Weizsäcker, West German president, may also be elected president of East

planner has predicted a metropolis of 6m to 8m within five years. The cur-rent population of East and West Berin is about 3.5m. The politics and infrastructure of the two sides are already growing together. There are even plans for a common police force

and common schools.

The rights of the four powers - US, USSR, UK and France - will gradually be negotiated away. Already the Soviets have indicated that they will

● Politics and elections: In spite of the wide consensus for unity there will be bitter political disagreements

Germany by the East Berlin paritation of 1998 which is not significantly different from West Berlin's.

Berlin: A leading East Berlin city

However Berlin will not be allowed to. and will not want to, run too far ahead of the process in the rest of

> • Troops: The 380,000 Soviet troops face an uncertain future. Although a large reduction is inevitable, timing is vague. The future of the East German Volksarmie is also unclear. There could be a war of nerves between the Soviet Union and West Germany for legal control over various key installations on East German

> > split. With the broad centra-right vote falling below 40 per cent in the two northern states of Brandenburg and Mecklen-burg, but touching 60 per cent in three southern states.

SPD sympathiser, concludes: "The countryside was quite

mixed but the small towns and the industrial centres of the

south carried all before them.

They wanted Mr Kohl and his petit-bourgeols certain

COU SUS 8PO 24.8% POS 23.2% POLANE **ELIBRANDENBURĞ** COU SLOW COLLEGES. SPD 21.2% POTSDAM SPD 34.3% COU 18.4% OCER SPO SLS% CDU SO.6% CDU 44.2% CDU 27.5% PDS 22.0% **V**HALLE SPD 20.8% PDS 13.8% SPD 19.2% PDS 17.9% CDU 57.0% KAPL MAPX STADT CZECHOSLOVÁKIA

Result pleases east's big industrial groups

By Lealle Collit in East Berlin and Katharine Campbell in

THE election victory for the Christian Democratic party was heartly welcomed yesterday both by West German industry and by an unexpected source: East Germany's giant state-owned industrial groups, the Kombinate.

Mr Werner Schulze, deputy director of sales for Robotron, East Germany's largest electronics group, was evidently satisfied with the CDU's success. We helieve this is the most favourable result the Konbinate could have hoped

for," he said. Mr Schnize said a rapid economic and currency union between East and West Germany was now imperative.

many was now imperative.

"What would you prefer? A long, agonising death, or a quick end? I would prefer the latter," he asked, referring to the inevitable closure of many East German factories which will be rendered uncompetitive by the introduction of the D-Mark. He admitted that much of Robotron's own production would be rendered

"worthless."
Only last week, at the Leipzig Fair, Robotron introduced a new AT personal computer which would have to sell for 37,000 East German Marks to cover production costs and make a modest 12 per cent profit. A similar computer in the West costs DM2,000 and means that Robotron's produc-tion will have to be cancelled, with all the con

Robotron's 68,000 employees will bear the brunt of the move to a market oriented economy, Mr Schulze indicated. Only 2,000 of them were producing colour televisions, electric typewriters and printers which could be sold profitably under D-Mark conditions. The others would soon find themselves out of work. Robotron's sales organisation employing 9,000 people, was also vastly blosted he said.

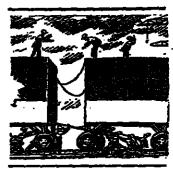
Mr Schulze stressed that a CDU-led Government would provide the necessary political stability to allow medium and vices to develop and eventually employ the workers dismissed at Robotron. But it would be a race against time.

Even workers getting East German wages in D Marks will be faced with western prices in the shops as well as rising rents for their flats. Under such conditions, many may prefer taking their chances "200 metres down the street" in

the West, he said, nodding in the direction of West Berlin. In West Germany, industry and commerce called for the speedy formation of a new government in the east to usher in the social market economy.

The East German people have given a clear mandate that they want to take on our system, lock stock and barrel," said Mr Dieter Wermuth, chief economist at the Frankfurt offices of Manufacturers Hanover, the US commercial bank. They have said: Transform us into a copy of your economy, thereby giving up any separate

industry leaders, who con-fessed to being taken aback at the extent of the conservatives' victory, urged the new Government to reverse the damage



ROAD TO UNITY

caused by months of political limbo since November and to create an environment in which the long list of proposed east-west deals could be set in

"Inadequate provisions, such as the joint-venture law, must be rectified, and count uctive laws, such as the trade unions law, must be abolished," according to Mr Tyll Necker, president of the Feder-ation of German Industry. Mr Wolfgang Röller, president of the Federation of Ger-

man Banks, stressed the necessity of creating a two-tier banking system modelled on West German lines as a prereqpisite to the development of the economy at large. Industrialists are hopeful

that the election results virtually assure the adoption of the D-Mark in the east by July. They favour an early announcement of the terms of monetary union, seen as the single most important factor in stemming the flow of Rast Ger-man citizens to the West.

East Berliners decide to keep their city socialist

BUCKING A national trend, Bucking A national menu, East Berliners voted over-whelmingly for the left in the election, raising the prospect of a reunited "red Berlin" as capital of a unified Germany, Rea-

ter reports.
The city has a long socialist tradition and was one of the last places to resist Hitler's Nazi party in the early 1980s. West Berlin is already ruled by a left-wing coalition of Social Democrats (SPD) and the radical Alternative List.

The East German SPD, nationwide losers, chalked up their best score in East Berlin with 35 per cent, well above their average of 21.8 per cent. The Communist party, hastily revamped as the Party of Democratic Socialism, won 39 per cent in East Berlin, nearly double its national score of 16.3 per cent. Commentators said the score reflected the highproportion of Communists in the civil service, the security forces and working class bastions in the capital.

The left-liberal Alliance 90, a coalition of citizens' movements led by intellectuals who played, a decisive role in last year's democratic revolution. scored 6.4 per cent in East Berlin, more than twice its

Politicians on both sides of

the Berlin Wall have proposed forming a joint council for greater Berlin. Supporters of Bonn, the "fed-eral village" that has been West Germany's makeshift capital since 1949, are fighting a rearguard action against Ber-lin becoming the capital of a united Germany.

But most political commen-tators believe the centre of political power will gradually move to Berlin. FINANCIAL TIMES

Published by the Finnneial Times (Europo) Lid., Frankfurt. Bratch, (Guiollettstrans 54, 6000 Frankfurtsan-Main 1: Telephone 608-7796t. Fax 609-725677; Telex 416193 represented by H. Hugo, Frankfurt/Main, and, as members of the Board of Directors, R.A.F. McClean, G.T.S. Daner, A.C. Miller, D.E.F. Painner, Loadon. Frinier-Frankfurter Societaets-Drunkerel-GrabH, Frankfurt/Main, Responsible editor: Sir Geoffrey Owen, Financial Times, Number One Southwark Bodge, London Sci. 1911. The Financial Times Ltd. 1990.

London SEI 9HL.

The Financial Times Ltd, 1990.
FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. US substription rates \$365.00 per summn. Second-class postage and at New York NY and at additional mailing offices. POSTMASTER, send address change to: FINANCIAL TIMES, 14 East 6th Street, New York, NY 10022.
Financial Times (Scandinavia), Ostergade 44, DK-1100 Copenhages. K. Dengade 45, DK-1100 Copenhages. K

Last-minute rush of 'don't knows' to the CDU shocks pollsters By David Goodhart cent of East Germans who call themselves East Germans first; cent had in fact decided for the tory. The intellectuals and POLLSTERS are not meant to functionaries, who have most to lose, stuck to the PDS, and be surprised by election results but Mr Wolfgang Hartenstein, head of the West German Infas CDU but preferred not to tell polisters, thinking it was a less the CDU to the 50 per cent who say they are Germans first. The SPD tried to appeal to both the SPD was squeezed. There was a marked regional

polling organisation, was as shocked as anyone by Sunday's early evening Infas exit poll which accurately foreshadowed the final result. Infas's pre-election polls had

been predicting a narrow Social Democrat victory. How then does Mr Hartenstein explain the upset?

The key was this extraordinary 40 per cent of 'don't knows' who all went in a row

to the CDU in the final few days," he says. He rejects the view that

much of the undecided 40 per

respectable answer than

However he believes that the psychological appeal, particularly to the 4m Saxons, of Chancellor Helmut Kohl as isther figure may have been underestimated. "They have not had a leader figure to identify with for so long, and they did not want to elect someone who would argue with the father figure," he says. He adds that the difficulty for the SPD was that it had two messages: unity but with some

respect for East German tradi-tion; whereas the CDU had

ELECTION RESULTS					
Party	% of vote	Seats in parliames			
CDU German Social Union Democratic Awakening	40.9 6.3 0.9	164 25 4			
Alliance for Germany (total)	· 48.1	193			
SPD	21,8	\$17			
PDS (former Communists)	16.3	45			
Free Democratic Alliance	5.3	21			
Others	8.5	34			
Notice Electoral tyrocot: \$1,2%. Vollagestyros	(parliament) has 400 s	egis			

one: simply unity.

He claims that the real cleavage line in the election was between, on the one hand, the

who originally overthrew the old Communists), and, on the other, the copies of the West terman parties.
The PDS and Bundnis 90 appealed most to the 35 per snd failed.

SPD optimists are hoping this has been a practical vote — voting in the most emphatic way possible for unity now but with a view to switching to the SPD in all-German elections. A

more realistic consolation is that in all-German elections most PDS voters should switch Mr Hartenstein says it was above all industrial workers in

the south, who believe they have most to win from unity, who gave the CDU their vic-



Every week Britain's supermarkets give us £230 million. Every week we manage to lose it.

By losing it, we mean taking the money from retailers and handing it on through the Post Office network.

This process is the backbone of Girobank's Business Deposit service. We believe it's the best means on offer for banking cash, cheque and credit card takings.

We're not alone. Included in the £39 billion we collect each year are the takings of most of the country's top retailers.

The hows and whys are very simple. Girobank's links with the Post Office and its 20,000 branches provide a tailor-made outlet for dispensing cash, benefits, pensions and

so on. As a result, we can offer rates to set the competition's teeth on edge,

It's worth adding that, for depositing your takings, the sheer number of Post Offices outconvenience all the clearing banks put together. Of course, there are many more strings

Our clients include the likes of Associated British Foods, Bass, Gallaher and Mobil. Our expertise extends to comprehensive payroll, treasury and international services.

We'd be delighted to discuss any matter, but particularly our Business Deposit service. Call us free on 0800 444 241 or return the

coupon and we'll present our argument. You'll discover it's refreshingly free of holes.

Mr/Mrs/Miss/Ms	<u> </u>	·	<u> </u>	- <u> </u>	ر ا د در در	* 1 m
Title	• •		<u> </u>			
Address	<u> </u>		<u>.</u>			<u> </u>
	<u> </u>	Poets	ode			
Phone/STD			77			
Tornover £M		•			<u> </u>	٠.
G Girol BUSINESS		٠. ٠	. :			-

GIROBANE PLC REGISTERED IN ENGLAND NO. 1850000. REGISTERED OFFICE: 10 MILE STREET, LONDON EC17 SIR.

WEST Germany's financial markets yesterday betrayed mixed emotions about the strong showing of the conservative alliance in Sunday's East German elections.

The stock market climbed sharply, interpreting the elec-tion result as heralding a spec-dier passage to a functioning social market economy, with all the concomitant benefits for German companies poised to expand into the East

again focused on the negative from the end of last weekimplications of economic unity Dealers said some investors
and weakened through the who had sold on Friday ahead
day. Bond investors are nervous because of uncertainties of the elections came back into
the market yesterday. Particular beneficiaries were stocks reconstruction, and concerned about the inflationary effects

Italy proposes \$15bn De Maiziere EC aid to E Europe

MR Gianni De Michelia, Italian Foreign Minister, yesterday proposed the European Comnity allocate \$15bn (£8.8bn) a year in aid to eastern Europe, saying this should be regarded not as a cost but an investment in a region moving towards market-based economies.

market-based economies.
In a speech to an economic gathering of the Conference on Security and Co-operation in Europe which opened in Bonn yesterday, he proposed that 0.25 per cent of the Community's gross domestic product be set aside for such aid, far more than the level already proposed by the Europead No. of the same proposed by the European Commission itself.

Commission itself.

"Naturally, we will have to get this across to public opinion at home," he said. But people would understand the need for such a sum, "because it is not a question of altruiam but of far-sightedness". Initially, the funds would have to go through Community and national budgets, and be linked to specific conditions for the borrowers.

E ALCT THE

and the second of the

es it wast to se

load to us

10 41 to 12 2

borrowers.

The proportion of the EC budget proposed by Mr De Michells is 10 times the sum the European Commission currently proposes in the way of assistance to eastern Europe. But Mr De Michells said that provisional calculations relating to eastern Europe abouted. ing to eastern Europe showed that "the financial resources which will be required will amount not to billions but to tens of billions of dollars each

of monetary union, details of which remain unclear.

In Frankfurt, equity prices mee sharply initially, with the Dax real time index reaching a high for the day of 1,981.08; up However, the bond market 41.39 points or 2.2 per cent

meeting was taking place against a wholly different background from that in which the Helsinki Final Act was

signed 15 years ago. Referring to Sunday's East German elec-

"Our task will be to manage

this restructuring and ensure that the integration of Europe

and the unification of Germany.

move ahead in unison." The

greatest difficulty would be in

getting the economic systems to converge. "And like Germany, the whole of Europe will find that economic unification

Events in the east were

pushing the international economy towards global interdependence, he said. "The age of the lonely giants is over."

The restructuring of Europe made it necessary to embark on "a large international contractions." The

on "a huge joint venture". The EC must be the cornerstone of

a new grouping. Eastern European countries would have to take the political decisions, create the right framework,

and agree to make the right sacrifices. But without EC sup-

port, they could not succeed. This relationship does not

depend simply on generosity

and political solidarity, but on

1,906.77, up 17.08 points on the calls for swift action

the market yesterday. Partieu-lar beneficiaries were stocks seen as benefiting most rapidly from infrastructure develop-

ments - Deutsche Bank, Sie-mens and Volkswagen.

A degree of profit-taking, however, meant that the mar-ket fell off in the last hour of official trading, to close at

By Leslie Colltf in East

year". He added that the CSCE Ar his list news conserence yesterday, Mr Lothar de Mai-zière, the designated Christian Democratic (CDU) Prime Min-ister of East Germany, spoke out in favour of swift eco-nomic and monetary union he/seen, the true Conserver. t i 0 n , he declared that Germany's d i v i 8 i 0 n had been the most palpable consequence of Europe's division

between the two Germanys.
The slight, gray-bearded Pramier elect also urged that the Berlin Wall and other harriers between East and West Germany he torn down as quickly as possible and said replacing them with a fence as was cur-rently being done was a "waste of money."

Mr de Maizière said that he

sted to quickly restore the Länder (states) in East Germany as they existed before being dissolved by the Communists.

manists.

He stressed that East Germany would honour its obligations in the Warsaw Pact and wanted German unity to be wanted German unity to be embedded in the process of European unification.

A lawyer by training, Mr de Mairière coped amoothly with tricky questions on unification and refuned to be drawn into speculation whether other senior members of the Alliance for Germany, of which the CDU was the dominant party, were informers of the former Ministry of State Security (Stasi).

rity (Stasi).
Mr Wolfgang Schnur, the head of the Democratic Awakening party, which was part of the Alliance, resigned in disday. The sharp overnight fall on the Japanese stock market acted as a particular dampener on initial high spirits. Turnover was well below the record levels seen last month, dealers

Meanwhile, average yields on public sector bonds rose 5 basis points to 8.96 per cent, as the government bond futures June contract in London, which led price movements in an otherwise thin cash market, closed at 81.77, down from

tone, Frankfurt bankers are not reckoning with a Bundesbank interest rate increase in the near term. That would only be an additional irritation and compound the difficulties of dapting the two economies to forthcoming currency union, one official said

The D-Mark took on a firmer said trading had picked up momentum after the opening in New York, as news of the

elections had sunk in. Mr Hans Tietmeyer, a Bundesbank director, gave encour-agement to the foreign exchange markets with his forecast that currency union would bring not a weaker, but a stronger D-Mark. Towards the end of the afternoon, the D-Mark was quoted at DM1.6823 against the dollar from about DM1.69 at the open-

Capital markets, Page 35; World Stock Markets, Page 45



The optimism of Lothar de Maizière, CDU chairman, and his wife Hildegard proves well-founded on their way to the vote

grace last week after revela-tions that he had been a paid Stasi informer for years. Mr de Maizière, who is 50, became chairman of the CDU only last November after its previous long-time leader, Mr

He joined the CDU in 1957 when its role as a "satellite" of Maizière was forced by a nerve the Communist party was firmly established.

After completing law studies in 1975, he opened a law prac-tice which gave him first-hand sional musician who insight into the massive studied at the Moscow Conservatory and played in several Rast German orchestras, Mr de abuses of the legal system by the old Communist leadership.

EUROPEAN NEWS

IMF agrees \$600m loan for Yugoslavia to check inflation

By Laura Sliber in Beigrade

YUGOSLAVIA yesterday announced a \$600m standby arrangement with the International Monetary Fund aimed at checking inflation and restructuring the country's alling economy.

Mr Zarko Trbojevic, vice governor of the central bank,

voiced hopes that the IMF loan would open doors for more credits from the World Bank and the European Community. The multi-million dollar package will be used in seven instalments over 18 months. The interest rate is at 9 per cent and will be reviewed quar-tarly. The loan is due in five years with a three-year grace period.

Yugoslavia has a standing debt to the IMF of \$860m. Mr Trbojevic said: "IMF directors expressed support for Prime Minister Ante Markovic's antiinflation programme, based on tight control over both the money supply and public spending and anchoring the exchange rate at seven dinars to DML."

The Government has also introduced a wage freeze until the end of June. The Markovic Government will face a serious challenge as their programme begins to bite and over 1m workers face losing their jobs when loss-making companies

BOC to invest more in Polish helium plant

BOC Group, the UK-based industrial gases company, is to invest a further \$4m (£2.5m) to modernise a commercial helium plant at Odolanow in

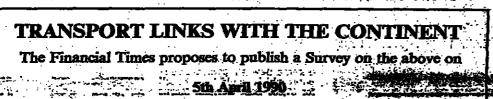
In return, the Polish authorities have extended the UK group's liquid helium supply agreement with the plant for a further decade, to the end of the year 2003.

The Polish operation is the only commercial belium plant outside the US. For BOC, the largest wholesaler of helium in Europe, it represents the company's principal source of sup-ply. The plant has supplied liq-uid helium on an exclusive basis to BOC since production began there in the late 1970s again with investment from

ernisation programme is due to be completed by end-Septem-ber 1991.

• Mr Tadeusz Mazowiecki, the Polish Prime Minister, files to Washington today, Reuter reports from Warsaw. Underlining Poland's dire economic condition, Mr Mazowiecki and his 17-member party will take a scheduled airline flight for what is probably his most important foreign trip since he took office more than six

months ago.
In addition to discussing the German issue, Mr Mazowiecki will thank Mr Bush for his support during Poland's emer gence from communism and ask for more financial and technological help, namely an easing of restrictions on tech-



For a full editorial synopsis and advertisement details, please contact:

Neville Woodcock on 01-873 3365

> or write to him at: London SE1 9HL.

> > **FINANCIAL TIMES**



An ADR listing? You'll be in good company on NASDAO.

More and more of the world's major companies are gaining valuable access to US investors by listing their shares in the form of American Depositary Receipts.

And when it comes to choosing an exchange to list on, most have chosen NASDAQ-the third-largest stock market in the world today.

Already, nearly 100 major international corporations are quoted on NASDAQ screens. Including Akzo, Reuters, NEC and Nissan.

But why NASDAQ?

First, because NASDAQ offers them very

substantially reduced listing costs.

Second, because it offers them the proven efficiency, liquidity and regulatory standards of a screenbased electronic market.

And third, because it is directly compatible with the London SEAQ system.

To find out what NASDAQ could offer your company, contact Lynton Jones, Managing Director, NASDAQ International, 43 London Wall, London EC2M 5TB; telephone: London 374 6969 or 374 4499.





HSA Healthcare Crown Plan can cost as little as 60p a week. It's an affordable benefit that

you can offer to all levels of staff

HEALTHCARE CASH BENEFITS **FOR YOUR**

It entitles your staff and their families to CASH benefits and the plan covers a wide range of medical expenses, including:

Optical Benefit

A CASH payment towards optical bills when a prescribed pair of glasses or permanent contact

lenses are supplied.

Dental Benefit

This payment means you can now afford to visit your dentist more often and therefore benefit from regular check-ups and preventative

treatment.

Hospital Benefit

This generous CASH benefit compensates for the inevitable loss of earnings, overtime,

commission and bonuses, whilst you are unable to work.

BENEFITS FOR YOU

Healthcare is priceless, not only for your staff but for your company as well. A healthy motivated workforce makes a happier more efficient team. HSA have over 65 years experience and 4000 corporate clients. Contact us today and give your

company a healthier future.

I would like to hear more about the benefits of

the HSA Healthcare Crown Plan. NAME TTTLE **COMPANY ADDRESS** POSTCODE



TEL No.

Hospital Saving Association, Hambleden House, Andover, Hants SP10 1LQ. Tel: 0264 58977. Fax: 0264 333650.

EUROPEAN NEWS

West left wanting in drugs war's new European front

Ignorance about the problem now is a poor start to coping with the future, writes Jennifer Monahan

ESTERN Europe is in no position to offer a coherent response to the next foreseeable shift in the drugs war, likely to involve central and eastern Europe, because it has only a vague grasp of its own narcotics prob-lems.

Experts such as Mr Cees Goos of the World Health Organisation know why east-ern Europe has been relatively unscathed: "Non-convertible currencies have been a safe-

guard," he says.

Where drug addiction is a problem - in Poland, Yugo-slavia, the Soviet Union - the stavia, the Soviet Union - the substances are home-brew poppy derivatives and, in the Soviet Union, opium. The refined end-products, heroin from opium, cocaine from coca, are not on offer, and no drug baron wants to be paid in rou-

Anecdotal evidence suggests that hard drugs have started to seep into East Berlin. Even in the countries that are not the countries that are not about to lose the "safeguard", more open frontiers will bring contact with hard-drug users, and increase the risk of AIDS. "When things in the east change, they'll change very rapidly," Mr Goos warns. However, it is western Europe's lack of knowledge of the scale of its own problems

that renders it suspect as a source of advice to its neighbours to the east. There is general agreement that any attack on supply by the producer countries must be matched by an assault on demand and widespread acceptance that law-and-order measures alone

are not enough.

There is also recognition of the need for a shared response to a shared problem, especially in the light of the AIOS threat. What is lacking is an appropri-ate information base for devising a coherent strategy.

ing a coherent strategy.

The problem is neatly illustrated by the Council of Europe, which, in preparation for a seminar, asked member states to give their definition of "hard-core addicts". One country included only drug-users who had asked for treatment. Another included only drug-users who were unwilling to seek help. "They thus totally excluded each other's populations from the discussion to come," comments the council's report.

In Europe as a whole, the problem of gathering the basic essential information about drug abuse is being addressed

● The World Health Organisa-tion Regional Office for Europe, covering west and east Europe, plus Israel. WHO pub-



lishes regular figures, country by country, based on national statistics, the limitations of which it recognises. A more ambitious project is being launched, which aims at giving a batter-tuned review every two years, including each country's response to its drug

• The Council of Europe, comprising all 23 countries of West-ern Europe (including Turkey), with Hungary, Poland Yugo-slavia and the Soviet Union as guests. The council has for the past five years been trying to lay the foundations for a com-mon drug information base in western Europe. Its Multi-City study (1987) pulls together data from police, court, medical and other treatment sources, and analyses them in the light of the relevant social and legal contexts, without which they

The study, regularly undsted, provides an all-round picture of Amsterdam, Dublin, Hamburg, London, Paris, Rome and Stockholm. But the group receives little funding from national governments.

• The EC, which has come late to the problem of druga. Headway is being made in fighting supply, with the new

directive on the laundering of proceeds. On the demand and treatment aspects, the EC has two initiatives.

Under a mandate from minis-ters of health, the Commission is attempting to assess the health aspects of drug abuse. It is encountering the familiar gaps and overlaps: drug-related deaths, assessments of levels of

deaths, assessments of levels of abuse, emergency treatment – approaches everywhere differ.

The second EC initiative is political. Under the French Presidency, a European coordinating committee at ministerial level was set up layer. rial level was set up last November. The eventual hope is harmonisation of the legal framework. Co-ordination of efforts in treatment and prevention depend once again on the missing basis of comparable tenture.

the missing basis of comparable information.

• France, which has jumped into the ring to shortcut the process of finding a common language. Mrs Georgina Dufoix, the delegate and co-ordinator appointed by President François Mitterrand, amounced last month that François estitus un an "obser-France is setting up an "observatory" to co-ordinate both quantitative and qualitative data on drug abuse.

France is to be the initial focus; Europe is to follow. The aim is to find some common

political agreement on a simplified set of indices, judicial, medical, preventive. The feasibility is now being studied at the French national statistical

institute Insee. The scientists and doctors trying to pin down the drugs problem in Europe agree on a number of points.

First, there is no short cut. Second, research efforts are far too fragmented. Third, the cumulative treatment-needs for addicts and AIDS cases will soon way outstrip resources. They also insist that largescale surveys cannot replace local studies, which alone provide the details of a problem which shifts constantly.

For instance, France four For instance, France four months ago thought it had escaped crack. In November, crack showed up in the Paris Metro. Spain and Italy contradict the tentative expert view of barely a year ago that heroin-abuse in western Europe had been less line off. In some had been levelling off. In some Northern cities too – Hamburg for instance - heroin appears to have been making a comeback.

Cocaine, meanwhile, remains the chief worry. Larger quanti-ties are being seized, which indicates increasing shipments, via Spain in particular. And convertibility is coming to eastern Europe.

Poles see fresh life at Gdansk

By John Thornhill

IN THE shadows of the cranes of the Gdansk shipyards where of the Gdansk simpyards where the Solidarity movement was born, a new Poland is emerg-ing. Business ventures employ-ing many of the shipyards' for-mer workers are springing up trying to take advantage of the changed economic environ-

One of these is Gestra
Polonia, a subsidiary of Siebe,
the UK engineering group.
Siebe acquired the business
when it bought the West German Gestra company in Movember 1988 and is now investing heavily in its Polish subsidiary's development. It plans to benefit from the emerging opportunities in east-ern European markets.

Gestra Polonia was used by its West German parent com-pany to manufacture valves for heat and energy control equip-ment. Siebe anna realized, how-ever, that it could use the com-pany as a "funnel" into the region and immediately invested heavily in its expan-sion broadening the range of

The company now manufactures components for several of Siebe's subsidiaries outside Poland, making motor components and thermostat parts. Gestra Polonia exports manufactured components which

helps Siebe avoid complica-tions over repatriating profits. Gestra Polonia employed six people when Siebe took over, this has risen to 70 and the this has risen to 70 and the company's two-year business plan, which is several months into operation, envisages creating a further 150 johs. Siebe has already invested \$500,000 (2308,000) installing production equipment and a further \$2m is to be spent in 1990.

Mr Barrie Stephens. Siebe

Mr Barrie Stephens, Siebe chief executive, says the qual-ity of the venture's products already matches that of its Western operations in spite of difficulties with supplies and the lack of a financial infra-structure. "We are already get-ting added value products at significantly lower cost."

Mr Stephens says the main benefits of operating in Poland are the considerable cost savings and the ready avail-ability of skilled labour. He estimates that the cost of inputs is roughly a quarter of those in West Germany but he is keen not to give the impression that Siebe is operating

there just to take advantage of cheap labour.

"The Polish people want to take their place next to the West and they do not want people to think that they are cally a bucket shop."

only a bucket shop."
He says one of the most striking features of doing business
in eastern Europe is the enthusiasm and co-operation that he has encountered. The last time he visited Gestra Polonia he had a one-and-a-half hour meeting with Mr Lech Waless, the Solidarity leader, whose

office is nearby.

Mr Walesa was enthusiastic about Siebe's involvement in Gdansk and keen to encourage western investment. Mr Stephens says Mr Walesa is very conscious of the fact that unless Poland can build up its economic strength quickly there may be a mass exodus of Poles seeking greater prosperity abroad. The Polish operation is small

by Siebe's standards. Gestra Polonia accounts for only about 2 per cent of Siebe's 3,400 employees and only a minute fraction of its sales of £1.4bn. But Mr Stephens's gaze is fixed firmly in the future. "We are definitely in there for the long-term development of the region."

thuanians seek meeting with Gorbachev

LITHUANIAN representatives were seeking an audience with President Mikhail Gorbachev yesterday to reject his demand that they recognise Soviet authority over the rebel repub-lic, Reuter reports from

A Lithuanian delegate also tried to tell the Supreme Soviet, or standing parliament, why the republic for declared independence a week ago but he was shouted down by depu-

Swedes and **Belgians** end tax row

By Tim Dickson in

A BITTER tax row between Sweden and Belgium, involv-ing tens of millions of dollars of "unuald" Swedish property taxes, looks take ingo-resolved. Swedish Finance Ministry

officials who visited Brussels last week are believed to have persuaded their Belgian couning loophole in the double tax-ation treaty between the two countries from the beginning

of next year.

If confirmed by the two governments, the change would mean that Swedish nationals living in Belgium would no longer be able to sell their real estate assets at home and avoid hefty capital gains tax payments under Swedish law.

Pressure on the Belgians -stepped up earlier this year when Stockholm served notice that it intended to abandon the current treaty — reflects Sweden's growing frustration that several of its double taxation treaties with other European countries enable nationals living abroad to be haltered from tax.
The problem has worsened

in recent years as increasing numbers of individuals and companies have set themselves up inside the European Com-munity to take advantage of the approaching single mar-

Tax hwyers see the talks with Belgium as a test case and many expect the Swedes to get equally tough with other countries. Swedish officials estimate

that more than 100 Swedish nationals moved to Belgium last year and sold property on which they would normally have paid an average of around \$500,000 in taxes. Belgium has no capital gains tax on individual property sales. Stockholm is also unhappy

that, under the present arrangements, people like Mr Eric Penser, an important shareholder in the Bofors group who recently moved from Britain to Beigium, do not pay Sweden's wealth tax, and that individuals are able to avoid income tax on private pensions which have been accumulated in Sweden with the help of local tax incen-

One of the most sensitive aspects from Belginm's point of view is the questionmark over the country's so-called co-ordination centres. These are covered by special legislation and allow multinational companies to conduct their group financing activities and certain other administrative support activities on highly favourable fiscal terms.

An end to the dispute is important for both Belgian and Swedish companies doing business on the other's terri-tory since they would face a substantial additional tax bill in the absence of a new double

Meanwhile partial returns from five Soviet republics where elections were held on A member of a six-person delegation sent to Moscow by invalid the Baltic republic's parliament's declaration of independence. "The letter from Landsbergis explains that Lithuania the Lithuanian parliament,

Sunday — Estonis, Latvia, the Ukraine, Belorussia and the Russian Federation — indi-cated that reformist and sepa-ratist candidates were doing

The mood was especially jubilant in Leningrad, where unofficial results showed radicals swept local races for the Russian parliament and won a majority in the city council. said outside the Supreme Soviet that he wanted to give Mr Gorbachev a letter from Mr Vytautes Landsbergis, Lithua-nian President, in response to Mr. Gorbachev's Lithuatum of

mr Geroschev's immatum of three days ago.

The Soviet leader insisted that Lithuania react to a deci-sion by the Congress of Peo-ple's Deputies, the expanded Soviet parliament, ruling

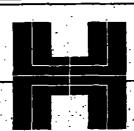
explains that Lithuania regards the Congress decision as invalid," said a member of the Lithuanian delegation.

Mr Gorbachev has ruled out formal negotiations with the rebel republic but has said be is willing to talk to the Lithuanians.

In Leningrad, the Demo-cratic Elections 90 candidates

won 54 per cent of the seats in the city council and 80 per cent of the local seats in the Russian Federation parliament.

Results were mixed in Moscow. In Kiev, candidates supported by Rukh, the Ukrai-nian nationalist movement won over half the city council seats and 15 of 22 local seats to the Ukrainian parliament. In Latvia and Estonia, pro-inde-pendence candidates did well in parliamentary elections.



Highlights 1989

Hongkong Land

Record Earnings and Strong Balance Sheet

- Net property rentals
- Profit after taxation
- Earnings per share
- + 23%
- Dividends per share
- + 26%
- Profit and net assets reflect impact of special distribution of HK\$5,173 million (HK\$2 per share) in May 1989
- Net borrowings less than 17% of shareholders' funds
- 6 million sq. ft property portfolio virtually fully let

"With little new Grade A office supply coming on stream in Core Central in 1990, the Company is confident of another year of positive rental reversions and profit growth."

SIMON KESWICK, Chairman Hong Kong, 16th March 1990

	1989 RESULTS		
		Year ended 3' 1989 HK\$m	ist December 1968 HK\$m
1	Net property rentals	2,241	1,532
- 1	Profit after texation	1,596	1,217
.	Property values	47,537	44,745
•	Shareholders' funds	39,580	42,159
		HK\$	нк\$
ا,	Earnings per share	0.59	0.48
	Dividends per share	0.48	0.38
1	Special payment per abare	2.00	
-	Not asset value per share	15.62	16.57

Hongkong Land Holdings Limited Incorporated in Bermuda with limited liability

One Exchange Square, Hong Kong Telephone: 642 8428. Facsimile: 845 9228 Telex: 75102 LANDS HX

mifer Monah

DOES SOUTH AFRICA'S BIGGEST COMPANYFAVE SOUTH AFRICA'S BIGGEST SSUE?

Bogus cops in Boston art haul

By Peter Riddell, US Editor, in Washington

A VERMEER and three Rembrandts were among a dozen paintings stolen from the Isabella Stewart Gardner Museum in Boston in the largest art robbery in the US, and smong the biggest ever. Boston police estimate the

value of the works, also includ-ing five by Degas and a Manet, as being at least \$100m. This is only a broad estimate since the pictures have not been sold this century and will be imposgibie to dispose of on the open market since they are so well known. Ms Karen Haas, the museum curator, talked of a value of "hundreds of mil-

The Vermeer, called The Concert, is one of only 35 of the artist's works known to exist, while one of the stolen Rembrandts, The Storm on the Sea of Galilee, shows the artist's use of light in the rare form of

a dramatic seascape.

The thieves gained entry to the museum at about lam on Sunday posing as police. They then tied up the security guards before going to the museum's Dutch Room. The robbery was discovered by

The Federal Bureau of Inves tigation described the robbery as "a professional job."

Tight money and iron nerves in Brasilia

Collor chose the toughest of four blueprints to smash inflation, writes Ivo Dawnay

men doubt that the new president's coup is unconstitutional

It appears a prime facie breach of property rights. But the government insists the action is not "confiscation"

and has even added an equally

dubious legal measure forbid-ding citizens to take out

injunctions against the plan. Most believe that the law will choose to turn a blind eye.

If the legal hurdles can be traversed, what then of the next big obstacle - Congress? Mr Collor's sworn exemies on

the left have been forced to

concede that the president has carried out his promise to fight

inflation with the wallets of

VERYONE had expected a shock, but no-one thought Brazil's dynamic young president would use the legislative equiv-

vesterday, the fall-out from the package of anti-inflation measures and economic reforms announced by President Fernando Collor on Fri-day was still rumbling as banks and markets prepared to open after a three-day bank holiday.

His attack on Brazil's 85 per cent a month inflation rate included far more than the dramatic liquidity squeeze that made the headlines His cost-cutting administra-

tive reforms involving thou-sands of civil service lay-offs, the closure of dozens of gov-ernment agencies and the abo-lition of countless regulations would normally have been stunningly controversial alone. So too would the measures that oblige hig financial institutions to buy non-tradeable stakes in state sector industries before privatisation, or the dramatic liberalisation of

import regulations. All this has been overshadowed by the breathtaking decision to sequestrate a sum of about \$100bn - equivalent to 30 per cent of Brazil's total gross domestic product - from bank, savings and overnight

Under the provisional measure tabled, citizens and companies are forbidden from withdrawing more than 50,000 cruzeiros (roughly \$1,000 at last week's official rate) from their bank or savings accounts for an undefined period. Only Crs25,000, or 20 per cent of the individual's total accounts held in overnight or other interest bearing deposits, can be with-

The remaining old (that is, locked-up) cruzados will be convertible into transactable cruzeiros for 18 months and then will only be gradually relegated affined to allow for released, adjusted to allow for inflation plus interest of 6 per cent a year. Some exemptions have been

agreed for groups such as pen-sioners. Companies too will be allowed access to funds to pay wage bills. But for the mo part, the rules are rigid and no-one has escaped. In future, those in urgent need of cruzeiros must hid in central bank auctions for the right to convert their old cru-

At a stroke, the theory has it, Mr Collor has therefore soaked up the excess liquidity in the market, temporarily eliminated government's debt service burden, given value to the new cruzeiro currency and put sharp downward pressure on inflatio

only an estimated 10 per from the freeze on accounts. It

conservative representatives in Congress – the president's osed allies - who must swallow hardest. Some changes - an increase in the amount account holders

may withdraw, for exam-ple – may be pushed through. But few believe the package will be thrown out or radically

Most economists agree that the plan-is sophisticated and coherent, if complex to admin-

One school argues that the liquidity squeeze is far too tight and will bring with it a deep recession. That is supported by a claim yesterday from the Sao Paulo Federation of Commerce that retail sales will crash by up to 75 per cent, bringing a sharp rise in unem-ployment.

others point out that by starting strongly, Mr Collor and his team can turn on liquidity like a tap, releasing funds when and if they choose. Mr Daniel Dantas, a leading economist and banker praised the plan at the weekend. But he warned that day-to-day management would be crucial. By shandowns its credibility By abandoning its credibility as a borrower, the Government would have no capacity left to finance its debt beyond printing money. The need for a massissistic feedball smoother. nce the budget was thus

The sensibility of the deficit. to debt is new much higher,"
he said, "They will have to be
extremely conservative."
Mr Coller must also prepare

to batten down the political hatches against a backlash on several fronts. His other mea-sures have succeeded in offending powerful lobbles from farmers and financiers to civil servants and state industry employees. Strikes and pro-tests look inevitable.

Much will depend on how the Brazilian majority railies behind its Robin Hood. There is some evidence that this process has begun and will accel-erate as prices stabilise and wages gain in purchasing

de Mello, the new Economy Minister, must negotiate a route past the corporate lobby-sists already besieging her offices for price rises, privies and exe It was Ms Cardoso, a 37year-old economics lecturer, who presented the president who pres elect with four blueprints of varying toughness for the economy. Mr Collor, with characteristic machismo, plumped straight for the toughest one. Money may be tight in Mr Collor's brave new Brazil, but for the first time in years there

appears to be no shortage of fron nerves in Brasilia.

Trudeau set to enter bitter row on constitution

By Bernard Simon in Toronto

CANADA's charismatic former prime minister, Mr Pierre Tru-deau, will return to the politi-cal arena today to add his voice to the increasingly divisive debate on Canada's constitetional future.

Mr Trudeau, 71, is expected to give a powerful boost to opponents of the controversial constitutional agreement known as the Meech Lake Accord when he addresses a press conference in Montreal, estensibly to launch a book of ostensibly to launch a book of essays on his years in govern-ment. Similar events will follow in Toronto and Ottawa later this week.

Apart from a strong denunctation of the accord shortly after it was signed in 1967, Mr Trudeau has kept a low profile since he retired from politics as leader of the Liberal party in 1984. But he still casts a formidable shadow over Canadian politics, and his resppearance seems timed for maximum effect as the Meech Lake debate enters a critical stage. Although the accord was signed by Mr Brian Mulroney, the Prime Minister, and provincial premiers in 1987, it must be ratified by all 10 Canadian provinces by June 23 if it is to take effect.

Two provinces, Manitoba and New Brunswick, have so far refused to endorse it, while Newfoundland is threatening to rescind its earlier ratifica-

The agreement enables Quebec, Canada's only predominantly francophone province, to sign the 1982 federal constitotion in return for gaining formal recognition as a unique part of Canada and the right to preserve and promote its dis-

CANADA has called a moratorium on C\$182m (\$95m) of official debt owed to it by 11 Commonwealth Caribbean countries, Canute James reports from Barba-

Mr Brian Mulroney, the Canadian Prime Minister, said in Barbados yesterday that the debt relief was intended to support the region as several countries attempt to restructure their economies. The Canadian Premier is in Barbados for a Premier is in Barbados for a two-day meeting with the leaders of 17 Caribbean relations between the region and Ottawa.

tinctiveness. All 10 provinces gain a number of other powers. Meech Lake's supporters Meech Lake's supporters have grown increasingly strident in warning of the impetus which non-ratification would give to separatists in Quebec. Last weekend, Mr Joe Clark, External Affairs Minister, raised the spectre of political violence, linking a collapse of the agreement to the separatist crisis of the early 1970s, when crisis of the early 1970s, when Ottawa resorted to emergency war measures to quell a spate of bombings and kidnappings in the francophone province. On the other hand, the

accord's critics argue that by giving extra powers to Quebec and the other provinces, the accord will hasten the fragmentation of Canada.

In excerpts published from his contribution to the book of essays, Mr Trudeau accuses Mr Mulroney of "dismantling Canada for the benefit of the provinces"

US 'still committed to open investment policy'

By Peter Riddell, US Editor in Washington

ONLY ONE foreign acquisition of a US company has been pro-hibited out of more than 280 such purchases reviewed by the US Federal authorities since summer 1988 under strengthened scrutiny powers. This was revealed yesterday by Mr Charles Dallara, the assistant Treasury secretary for international affairs, in from the transfer of the US remains firmly committed to an open investment policy, which, he said, was not at odds with pro-

tecting national security.

Testifying to a House of Rep-Dallara sought to balance the growing concarn in Congress about the implications of the rising level of foreign acquisi-tions with the worries of overseas investors about possible restrictions.

He focused on the Exon-Flo-rio provision of the 1968 Trade Act which strengthened presidential powers to stop pur-chases and order divestiture on

national security grounds. mational security grounds.

More than 700 pages of comments were received by the Treasury on draft regulations published last July. These, he said, focused on the need for a clear definition both of national security and of what constitutes control, the absence of a limiting provision which would remove the threat of a presidential action against stors not notifying under the present voluntary proce-dure, the status of foreign lend-ers making commitments to finance an acquisition of a US company in case of a default

on loans, the need for special treatment for hostile and timesensitive transactions and the desirability of a formal fast

The Treasury hopes to have final regulations by the summer and Mr Dallara said it had been "a deliberate process" because of the importance of national security and the time necessary to achieve a consenus among several agencies. The Association for International investment, a lobbying group for leading overseas investors, has pressed for clari-

points, while also separately warning against new Congres-sional action on, for example, access to confidential data which might discourage new Mr Dallara noted that the

Mr Dallara noted that the Committee on Foreign Investment in the US, a Treasury run inter-agency group, had reviwed over 280 transactions since August 1988. Last year filings covered about 30 per cent of foreign acquisitions of US companies valued at more than \$1m. Notifications are currently coming in at the rate currently coming in at the rate of 350 a year, or 50 per cent of acquisitons of more than \$1m.

The president can only ben a foreign investment - as he did last month with the takeover by Catic of China of Mamco, a Seattle-based aircraft parts manufacturer - if the acqurier might take action which threatens to impair the US national interest and if exist-ing laws are not adequate or appropriate.

Marcos and Khashoggi show arrives in town

By Alan Friedman in New York

JURY selection begins today in the racketeering and fraud trial of Mrs Imelda Marcos, formin of his imeda harcos, for-mer first lady of the Philip-pines, and Mr Adnan Khash-oggi, the millionaire Saudi hashessman And New York's social world is busing. The Marcos Khashoggi trial centres on a 77-page indict-ment tharging that Mrs Mar-cos and Ferdinand, her late tushand. amberried \$103m

coe and Furdinand, her late instand, embezzled \$103m from the Philippine Treasury and tased it to buy Manhattan real estate and art works. Mr Khashogai, once thought of as the world's richest and most flamboyant jet-setter, is charged with adding the Marcoses through mail frand and obstruction of justice.

Not since the marital rupture of Donald and Ivana Trump has the Big Apple been

Trump has the Big Apple been so excited about a couple of jet settlers who, as one tabloid put it yesterday, "fell to earth." Mrs Msrcos, who has been fiving in ealle in Hawaii, had her \$5m bail posted in 1988 by Millionaire herress Doris Duke. Mr Khashoggi, who was extra-dited to New York from Switzeriand last summer, has had to walk around with the igno-hie distinction of wearing an

electronic ankle bracelet to monitor his movements. monitor his movements.

It could be weeks before the trial — the last legacy of former US Attorney Rudolph Ginliani — gets under way, as jury selection is likely to be tricky. Mr John Kennan, the Manhattan federal judge, is pledged to disqualify any prospective juror who already has an opinion about the defendants.

But it is apparently going to

But it is apparently going to be a challenge to find ordinary people who feel neutral about either the legendary "Iron But-terfly" of Manila or Mr Khashoggi, who was believed to be buttressing himself at his \$26m suite in the Olympic Towers on Fifth Avenue.



0898 900 050 Latest Budget Summary 0898 900 051 (38p per minute)

IN THE FIGHT FOR DESK SPACE, **VICTOR WINS THE** INCH WAR.

Not an ounce of fat.

The new Victor V386MX has the smallest "footprint" of any AT system around.

Measuring just 12.5" high and 4.5" wide, it's mere size is a step forward in itself. So, too, its fine upstanding appearance.

A tower-block of computer power in miniature, Victor's vital statistics mean greatly enhanced performance. As you can see here.

Processor	16MHz 386SX
RAM	1MB
Disk Storage	40MB - 210MB
Monitors	Monochrome VGA Colour VGA
Dimensions	322mm (H) x 114mm (W) x 312mm (D)

The Victor V386MX stands alone in the world of Computer technology and design and costs only £1999 (for a powerful 40MB MVGA version).

Astounded or just astonished? That's the effect Victor usually has on people.

Victor's New Dimensions range includes: V86M - 10MHz 8086 processor starting from £999 for a 20MB MVGA model.

V286M - 12MHz 80286 processor starting from £1799 for a 40MB MVGA model.

V386MX - 16MHz 80386SX processor starting

from £1999 for a 40MB MVGA model.

For a demonstration or more information on how Victor can help you shape up for the 90's, contact any one of our Victor Authorised Dealers, or call Sarah Brown at Victor on 0494 461600.



VICT R

Deene Computers, Dorset, Tet. 0308 25276 - Snowutra, Dumfries, Tet. 058.13 591 - C. T. Maddison, Oxford, Tet. 0383 883182 - Octopus Computers, Derby, Tet. 0246 220965 - Hylton Nomia, Hants. Tet. 0730 68123 - Sussex Business Computers, West Sussex, Tet. 0303 745868 - F. B. Computer Consultants, South Humberside. Tet. 0742 362622 - Busy Chips, Herts. Tet. 0562 783089 - Laser Byta, Surrey, Tet. 0293 7772201 - Horley Systems, Bucks. Tet. 0444 42652 - M. P. S. S., Essex, Tet. 0992 769868 - A. T. Mitchell, Middlessex, Tet. 0304 811119 - Osoroy Business Computers, Middlessex, Tet. 01-883 5162 - Mayflower Business Systems, London, Tet. 01-801 2345 - Omega Computers, Hants, Tet. 0256 844377 - Tintal Computer Solutions, Middlessex, Tet. 01-883 5785 - Pegink Systems, Surrey-Tet. 01-301331 - Tempte Computer Services, Bucks, Tet. 0444 21332 - J. M. Computer Services, Norfolk, Tet. 0328 55666 - Computeried, Letts. Tet. 0533 600733 - Thanet Computer Services, Kent. Tet. 0443 28377 - Orac Information Systems, Barris, Tet. 0734 761372 - Devon Computers, Devon, Tet. 0303 526303 - Desktop Services, London, Tet. 01-908 2549 - Access Computers, Tet. 0274 208386 - Hedley & Ellis, Camba. Tet. 0733 204013 - Gardner Systems, Menseyside. Tet. 051 220 5552 - London Computer Centre, London, Tet. 01-670 6867 - Discount Micros, London, Tet. 031272 2022.

F. M. P. Business Computing, Devon, Tet. 0903 214102 - Multi Task, Kert. Tet. 0303 850568 - Key Computers, Newcastle-upon-Tyne, Tet. 081272 2022.

ution

mittedt

ent poli

IS NO LONGER APARTHEID, BUTWHATKIND OF SOCIETY WIL

IHEISSUE

Gavin Relly, Anglo American Corporation. February 1990.

South Africa today stands on the threshold of enormous change. It is an exciting, if dangerous moment in its history.

At last, for the first time in 40 years, South Africans of all political beliefs can take part in open, free and vigorous debate about the future of their country.

For the first time, black and white political leaders are starting to talk to each other about a common, not a divided, South Africa.

The dialogue has just begun, but the process is irreversible - a process that will inevitably see the collapse of the last remnants of apartheid, and the emergence of a radically different society.

This has all come as welcome news to the Anglo American Corporation, South Africa's biggest industrial and mining group.

We have always believed that South Africa can only realise its true potential if it becomes a prosperous, non-ràcial, multi-party democracy.

For political freedom will mean little if it is not underpinned by economic freedom as well. Real prosperity can only be achieved if every

South African is free, not only to cast a vote of equal value, but also to participate in wealth creation.

Under apartheid, the majority of South Africans could do neither.

Which is why, for even more than 40 years, we have spoken out consistently and vocally against the apartheid laws which have restricted both individual freedom and economic growth.

In a post-apartheid South Africa all its people must have equal access to both the ballot box and the market place, if they are to be liberated not only from oppression, but from poverty.

And if South Africa is to become the engine of growth for all of Southern Africa.

For South Africa's economic problems - high unemployment, a low growth rate, and a crippling shortage of skills - will not miraculously vanish when apartheid goes.

And just to substitute one state-controlled, interventionist society for another would do nothing to help solve them.

Anglo American is a South African company and proudly so. We are confident about South Africa's prospects and our own.

our corporation, and a share in its wealth through a free, voluntary share ownership scheme.

Which is why we will invest R8 billion in South

Why we are encouraging the explosion of small

Why we have established non-racial schools

Why we are funding both university places and

Why we have established new technical colleges

Why we have given our employees a stake in

business by assisting black entrepreneurs with train-

where white and black South Africans can learn

bridging programmes to help students overcome

where black South Africans can acquire the skills

Africa over the next three years alone.

together - and learn to know each other.

the deficiencies of 'apartheid education'.

they and South Africa so desperately need.

ing, guidance and contracts.

As South Africa's biggest business, we have

always believed in a future beyond apartheid.

When apartheid finally disappears, we want the South Africa that emerges to escape from ignorance, envy, deprivation and fear.

> We want South Africans of all races to be free, not only to vote, but to create more wealth for themselves and prosperity for the whole country.

IF YOU'D LIKE TO ENOW MORE ABOUT WHAT WE'RE DOING, PLEASE WRITE FOR OUR FACT BOOK TO: AAC, DEPARTMENT NO. FTOI, PO BOX 43, LONDON ECIP (A). ALLOW 28 DAYS FOR DELIVERY.

Yukong Limited

(a company incorporated with limited liability in the Republic of Korea)

Notice of a Meeting

of the holders of the U.S. \$20,000,000 3 per cent. Convertible Bonds due 2001

(the "Bondholders" and the "Bonds" respectively).

(the "Bondholders" and the "Bonds" respectively).

NOTICE IS HEREBY GIVEN that a Meeting of the Bondholders will be held at 1 Appoid Street, Broedgate, London EC2A 2HE, England on Wednesday, 11th April, 1990 at 11.00 a.m. (London time) for the purpose of considering and, it thought its passing the following resolution which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed dated 15th July, 1986 (the "Brustee") as trustee for the Bondholders:

THAT this Meeting of the holders (the "Bondholders") of the outstanding U.S.320.000,000 3 per cent. Convertible Bonds due 2001 of Yulkong Limited (the "Bonds" and the "Company" respectively) constituted by a Trust Deed dated 15th July, 1986 (the "Trust Deed") made between the Company and Bankers Trustee Company Limited (the "Bonds" and the "Company" respectively) constituted by a Trust Deed dated 15th July, 1986 (the "Trust Deed") made between the Company and Bankers Trustee Company Limited (the "Brust Deed") as trustee for the Bondholders hereby:

(1) sanctions the Proposal (as described in the Notice convening this Meeting) and its implementation and the modification of the provisions of the Conditions of the Bonds and the Trust Deed and of the rights of the Bondholders indictions the Proposal (as described to this Meeting and signed by the Chalman for identification, with such, if any, amendments thereto as the Trustee may require, and to execute any do all such other documents, acts and things as may be necessary to give effect to the Proposal and this resolution."

BACKGROUND TO THE PROPOSAL.

Linder the provisions of the Conditions of the Bonds and the Proposal and this resolution.

BACKGROUND TO THE PROPOSAL

Under the provisions of the Conditions of the Bonds and the first Deed, a Bondholder will only be entitled to convert a strend into fully-paid and non-assessable chares of common stock of the Company ("Shares") on and after the tenth day after the day on which Goldman Sachs International Corp.) gives notice to the Bondholders that it is satisfied that, under the provisions of Korean law and the in accordance with the provisions of the Conditions of the Bonds and the flust Deed by non-recidents of Korea and its Shares may lawfully be purchased, held and transferred (subject to any overall firnit of general application on the percentage of the issued shere capital of the Company which may be owned by any particular non-resident or by non-recidents generally), and the rights attaching thereto may lawfully be exercised, by such non-resident or by non-recidents generally), and the rights attaching thereto may lawfully be exercised, by such non-resident or by non-recidents provisions of Korean is without the imposition of restrictions or conditions which materially affect the Interests of a non-resident holder of Bonds or Shares or his ability to exercise his rights thereunder.

The present provisions of Korean law impose restrictions which do not permit Goldman Sachs to give the notice time.

Inducated above and accordingly the pre-condition for the exercise of the conversion rights is not satisfied at the present time.

In December, 1987 the Ministry of Finance of Korea (the "Ministry of Finance") made an announcement concerning its policy on the opening up of the domestic ceptal market for international investors. The announcement indicated that such a process should latter place gradually, focusing on indirect portion investment in harmony with other goals of economic policies. The announcement confirmed, in the context of issues of convertible bonds and on the assumption that direct investment by foreigners was not likely to be permitted very soon, that the Korean Government would permit the contracting parties to modify the terms of the original agreement to allow conversion of such bonds within the boundaries of the existing laws and regulations.

In December, 1988, the Ministry of Finance announced a programme of intended further steps towards fiberalisation scheduled on a yearty basis. The schedule indicated, amongst other things, a liberalisation in 1989 of over-the-counter dealings amongst foreigners of shares converted from oversees securities, The allowance of retrivestment in domestic securities of capital created from sales of shares arising from the conversion of oversees convertible securities was scheduled for 1991, a year ahead of a more general allowance to any foreign investors. Save for the over-the-counter dealings between foreigners, implementation of each of the foreigning steps is subject to a prior determination by the Ministry of Finance that certain domestic economic conditions have been met.

In July, 1889, the Securities and Exchange Commission of Korea Issued a regulation entitled "Regulation" on Acquisition and Management of Shares Related to Overseas Securities" (as amended, the "1989 Regulation") effective as of 1st August, 1989 in order to create a regulatory framework to permit limited foreign portfolio investment in shares of domestic companies.

August, 1989 in order to create a regulatory framework to permit limited loreign portroso sinvestment in snares or domestic companies. Under the 1989 Regulation, a foreigner may acquire the Related Shares of Korean companies which have issued convertible bonds ("CBs"), bonds with warrants or depositary receipts ("DRs") outside Korea, only through (i) the conversion of the CBs, the assercise of the warrants or the exchange of the DRs, (ii) the exercise of pre-emptive rights or any other rights under the shares acquired in the manner described in (i) above, (iii) inheritance, bequest or gift, and (iv) the purchase from another foreigner of shares, the certificates for which are held in custody in Korea pursuant to the Foreign Exchange Control Regulations of Korea. For this purpose, "Related Shares" means shares issued upon (a) the conversion of CBs, the exercise of warrants or the exchange of DRs or (b) the exercise of pre-emptive rights or any other rights under the Shares issued in the manner described in (a) above.

Against this background, the Company and the Truste have considered the possibility of modifying the provisions of the Conditions of the Bonds and the Trust Deed to allow conversion of the Bonds within the boundaries of the existing laws and regulations of Korea. The Trust Deed provides that such a modification is only capable of being effected after having been approved by an Extraordinary Resolution of the Bondholders at which a higher quorum than normal is required. Such quorum is set out in paragraph 2 of "Voting and Quorum" below. The Company and the Trustee have agreed that an Extraordinary Resolution to approve the Proposal and its implementation should be put to a Meeting of the Bondholders for their contected after the Company, the Trustee have agreed that an Extraordinary Resolution to approve the Proposal and its implementation should be put to a Meeting of the Bondholders for their contected after the Company, the Trustee has taken appropriate steps by convening the above Meeting.

The Proposal is that the pre-condition for the exercise of the conversion rights described in the first paragraph of "Background to the Proposal" above, which requires the notice by Goldman Sachs therein referred to, should be deleted from the Conditions of the Bonds.

CONSEQUENCES OF IMPLEMENTATION OF THE PROPOSAL in the opinion of Goldman Sachs and the Trustee, the main consequences of implementation

ows:

Sondholders would, immediately upon the necessary consents being obtained and execution of the supplemental frust deed, become entitled to exercise their conversion rights in respect of the Bonds. The Company is required (i) to file a report to the Ministry of Finance and obtain the acceptance of the report by the Ministry of Finance and (ii) to obtain an approval of the Chairman of the Securities and Exchange Commission before executing the supplemental trust deed and, while such acceptance and approval are discretionary in nature, the Ministry of Finance in its December, 1987 announcement indicated its intention to allow conversion of convertible bonds issued overseas if the parties thereto agreed to amend the terms and conditions of such bonds to allow immediate conversion thereunder.

sion thereunder. Korean domestic market has not been fully liberalised, any Sharas arising from such a conversion would be

As the Korean domestic market has not been fully liberalised, any Shares arising from such a conversion would be subject to the restrictions affecting shares held by non-residents of Korea and foreigners. The Trustee has sought the advice of Kim & Chang, lawyers, of Seoul, Korea, as to the extent of these restrictions. Copies of a letter dated 14th March, 1990 addressed by them to the Trustee containing their advice are available for inspection by Bondholders as indicated below, and the Trustee recommends inspection.

Pursuant to and subject as provided in Condition 7(B) thereof, the Bonds are redeemable at the option of the Company at any time at a redemption price of 104 per cent. of their principal amount in 1990, reducing by equal steps of ½ per cent. per amount to par in 1996 and subsequent years. However, the Trustee has been advised that they cannot be so redeemed prior to 1st January, 1993 unless they have become convertible. Accordingly, if the proposed modification were made and subsequently the Company were its right of optional redemption before full liberalisation of the Korean domestic market were achieved, a Bondholder could find that to protect the value of his investment he was forced to exercise his conversion right on to convert into Shares subject to the restrictions indicated above. However, even if the proposed modification were made, as of 14th March, 1990, the company would not be able to exercise its right of optional redemption since the Closing Price of a Share has not exceeded 140 per cent. of the Conversion Price of the Bonds, as required by Condition 7(B). Against this, although company would not be able to exercise its right of optional redemption since the Closing Price of a Share has not exceeded 140 per cent. of the Conversion Price of the Bonds, as required by Condition 7(B). Against this, although the question is not without doubt, it appears that the Bonds could be redeemed by the Company under such right on and after 1st January, 1993 even though the conversion rights were not tren exerciseble, in which event such 140 per cent, requirement would not apply. In such event, if the proposed modification were not made and the Company were so to exercise such right before tull liberalisation of the Korean domestic market were achieved, a Bondholder would be unable to protect the value of his investment by exercising his conversion right. The Company has informed the Trustee on 14th March, 1990 that it has no present intention of exercising its right of optional redemption but that this does not bind the Company to a future course of action.

The Trustee has invited Goldman Sachs to express a view as to whether implementation of the Proposal is in the best interests of the Bondholders. Copies of a letter dated 14th March, 1990 addressed by Goldman Sachs to the Trustee setting out its view are available for inspection by Bondholders as indicated below, and the Trustee recommends inspection, in its letter Goldman Sachs sets out the historical background, facts and considerations of relevance to the position of the Bondholders and concludes that, while the relative importance that Bondholders attach to the considerations involved in approving the Proposal depends upon the individual studion of Bondholders, in its opinion, on balance, implementation of the Proposal is not be best interests of Bondholders at whole.

DOCLINEENTS AVAIL ABLE FOR INSPECTION

Copies of the following documents will be available for inspection by Bondholders during normal business hours at the appealed offices of the Paying Agents listed below up to and including the date of the Meeting and at the Meeting:

(ii)

(ii) the Trust Deed;
(iii) translations into English and the Korean texts of the announcement made by the Ministry of Finance in December, 1987, the official summary of the announcement made in December, 1988 and the 1989 Regulation, as amended;
(iv) the letters, both dated 14th March, 1990, from Kim & Chang and Goldman Sachs respectively to the Trustee referred to above; and
(v) a draft (subject to modification) of the supplemental trust deed referred to above.

VOTING AND QUORUM

A person wishing to attend and vote at the Meeting in person must produce at the Meeting either a Bond or a valid voting certificate issued by a Paying Agent or must be a proxy under a block voting instruction validly issued and reposited by a Paying Agent or must be a proxy under a block voting instruction validly issued and

voting certificate Issued by a Paying Agent or must be a proxy under a block-voting instruction validly issued and deposited by a Paying Agent.

A holder of Bonds not wishing to attend and vote at the Meeting in person may either deliver his Bond(s) or voting certificate(s) to the person whom he wishes to attend on his behalf or give a voting instruction (on a voting instruction form obtainable from the specified offices of the Paying Agents set out below) instructing a Paying Agent to appoint a proxy under a block voting instruction to attend and vote at the Meeting in accordance with his besturing.

to appoint a proxy inter a back vising relations of all and the working in excellents. For the purpose of obtaining voting certificates or giving voting instructions to proxies in respect of the Meeting. Bonds may be deposited with any Paying Agent or (to the satisfaction of such Paying Agent) held to the order or under its control with CEDEL or the Operator of the Euroclear System or any other person until 48 hours before the sine for which the Meeting has been convened but not thereafter.

The quorum required at the Meeting is two or more persons present holding Bonds or voting certificates or being proxies and being or representing in the aggregate the holders of over 65 per cent. In principal amount of the Bonds for the time being outstanding. If a quorum is not present at the Meeting, the Meeting will be adjourned and the Extraordinary Resolution will be considered at an adjourned Meeting (notice of which will be given to the Bondholders). The quorum at such an adjourned Meeting will be two or more persons present holding Bonds or voting certificates or being proxies and being or representing in the aggregate the holders of over 33 per cent. In principal amount of the Bonds for the time being outstanding.

To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the votes cast thereon. If passed, the Extraordinary Resolution will be binding upon all the Bondholders, whether or not present at such Meeting and whether or not voting, and upon all holders of interest coupons appertaining to the Bonds.

PRINCIPAL PAYING AGENT Bankers Thust Company, 1 Appold Street, Broadgate ste, London EC2A 2HF. OTHER PAYING AGENTS O I FIERT PAYING Auter 175

Swies Bank Corporation, Asschemorated 1, CH-4002 Basie.

Banque Internstionale à Luxembourg S.A., 68 Routs d'Esch, L-1470 Loxembourg.

Banque Indosuez Belgique, rue des Colonies 40, 8-1000 Brussels.

Bankers Trust Company, 2601-2606 Shell Tower, 50 Raffies Piace, Singapore 0104.

This notice is given by Bankers Trustee Company Limited, a member of IMRO. Dated 20th March, 1990

THE EMERGING MARKETS STRATEGIC FUND

Société d'Investissement à Capital Variable

Registered office: 2, boulevard Royal, 2953 R.C. Luxembourg B 28252 Notice is hereby given to the shareholders, that the ANNUAL GENERAL MEETING

olders of THE EMERGING MARKETS STRATEGIC FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme 2, boulevard Royal, Luxembourg, on April 5, 1990 at 11.00 a.m. with the following agenda:

1. Submission of the Reports of the Board of Directors and of the Auditor; Approval of the Statement of Assets and Liabilities and of the Statement of Operation for the year ended as at December 31, 1989; appropriation for the year ended as at December 31, 1989; appropriation for the year ended as at December 31, 1989; appropriation for the year ended as at December 31, 1989; appropriation of Operation for the year ended as at December 31, 1989; appropriation of Operation for the year ended as at December 31, 1989; appropriation of Operation for the year ended as at December 31, 1989; appropriation fo

tion of the results; 4. Receipt of and action on appointment of the Directors and of the Anditor;

The shareholders are advised that no quorum is required for the items on the agenda of the annual general meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting. Miscellaneous In order to attend the meeting the owners of bearer shares will have to depo-sit their shares five clear days before the meeting at Banque Internationale à Luxembourg, 2, boulevard Royal, Luxembourg.

THE BOARD OF DIRECTORS

NOTICE OF INTEREST RATE To the Holders of

International Bank for Reconstruction and Development

Undated U.S. Dollar Floating Rate Notes In accordance with the provision

In accordance with the provisions of the Notes, notice is hereby given that the above Notes will bear interest for the period from March 15, 1990 to and including June 14, 1990 at a rate per annum of 3.623452898% payable on June 15, 1990 in the amount of \$220.38 in respect of each \$10,000 principal amount of Notes and \$5,509.43 in respect of each \$250,000 principal amount of Notes.

MORGAN GUARANTY TRUST COMPANY Dated: March 20, 1990 ment prompted claims the coalition was playing the "Japan Card" to close a 5 percent gap in the opinion polls by tapping anti-Japanese senti-

OVERSEAS NEWS

Indian budget will target

tax revenue By David Housego in New

THE new Indian administration of Mr V.P. Singh yesterday introduced a budget that relies on a massive increase in tax receipts aimed at containing a still

substantial deficit.

The budget is based on a 19 per cent increase in tax reve-nue of which only about a quarter, or Rs19bn (£700m), quarter, or kalson (2700m), comes from new tax measures. The government appears to be looking for the rest from reducing fax evasion. Mr Madhu Dandayate, the Minister of Finance, told Parliament that the Government would be leaved by the restained and launching "a sustained and multi-pronged drive against the proliferation of black money which is a social sin

Overall expenditure is projected as increasing by 7 per cent (below the inflation rate) to Rs945bn.

Among items to rise more sharply are defence, where expenditure is to increase by 10 per cent. The government's lack of room for manoeuvre in making fresh outlays is reflected in the watering down of its pre-election pledge to provide debt relief for farmers,

artisans and weavers.

The budget provides for the banks to waive only Rs10bn of the estimated Rs140bn of outstanding rural debt - and says the measure is not to be extended. Overall the budget seeks to shift the burden of taxation away from the less well-off and further towards the middle classes and the corporate sector. Mr Dandavate said that

"items used by the affluent sections of society" would have to bear more indirect taxes as he announced an increase in dutles on cars, washing machines, and con-sumer electronics.

He also raised petrol prices by 15 per cent in a move which is designed to both raise revenue and save foreign exchange. For the corporate sector, Mr Dandavate announced an unexpected reduction in corporation tax from 50 to 40 per cent — while at the same time abolishing investment allowances.

While the overall effect is to raise an additional Rs8hn, the latter measure will hit capital intensive industries such as petrochemicals

The budget deficit - defined as not borrowing by the gov-ernment from the Central Bank - remains at Rs72bn or just below the level of deficit projected by the former gov-

Sri Lanka pull-out ahead of schedule

India's intervention in Sri Lanka will end on Saturday after two-and-a-half years with the withdrawal of the remaining 4,000 Indian troops, David Housego writes. General A.S. Kalkat, the

Commander of the force, said that "barring bad weather or some other unforescen hitch" his troops would complete their withdrawal from Trincomalee, on the eastern coast, a week ahead of schedule. They are leaving the Tamil Tigers — the Liberation Tigers of Tamil Eelam (LTTE) — in de facto control of the north and east of the country.

At the height of the first big

Peking to boost sluggish economy

By Peter Ellingsen in Peking and Colina MacDougail in London

CHINA'S National People's Congress, its rubber-stamp par-liament, assembles today amid predictions that Peking will move to boost the country's sagging economy but retain its present government leadership despite earlier unofficial reports of impending change. Li Peng, the Prime Minister and a prime mover behind last year's bloody suppression of pro-democracy demonstrators in Peking, is due to deliver the keynote speech to the opening

Recently Peking reports claimed that he might be moved to a less conspicuous post, while his mentor, President Yang Shangkun, 82, also hated for his role in the massacre, would gracefully retire. Yao Guang, NPC spokesman. dismissed such reports, stress-ing that the congress theme would be "stability and unity"

- Chinese propaganda's standard refrain whenever both are seriously deficient.

However, with the hard-liners apparently riding high at present, such changes seem unlikely. The exception is the chairmanship of the Central Military Commission, the last

government post held by Deng Xlaoping, China's elder statesman, from which he has already said he would resign. He will be replaced by Jiang Zeming, the current party

In his speech Li Peng is likely to defend the 18-month austerity drive which has brought inflation down to sin-



Deng Xiaoping

gie figures from the 18 per cent plus of 1988, though he will have to acknowledge the unemployment boom, the col-lapse of consumer confidence,

and state-run enterprises default on debts of more than

110bn yuan (\$22.5).
The economic slowdown has pushed the jobless total to around 4 per cent, and left an estimated 100 million out of work or under-employed in

To handle these escalating problems, the Congress will see the Government ease controls on credit and encourage spend-ing in a bid to shore up falling industrial output, the official China Dally predicted on Sun-

The Government, which has already reduced consumption tax on locally made colour televisions and commercial loan interest rates, is likely to lower interest rates on bank deposits to encourage spending, and move the huge stockpile of

unsold consumer goods.
Unusually, the China Daily criticised the government, saying industrial output would not have fallen so sharply over the past five mouths if action had been taken last year. Security in the capital has been stepped up in advance of the Congress, with helmeted troops on duty again in Tiansince shortcomings in our rela-tions do exist," said Gombosos-viyn Otshirbat in his first news conference last week after being elected as the general secretary of the Communist

anmen Square, one of the focal

points of last year's protests. The army withdrew when mar-

tial law was lifted in January.

The Soviet Union is relin-

quishing its 69-year-old role as Mongolia's debt-mother, but

many people here say it is leaving the country as it found it: an impoverished orphan, Reuter reports from Ulan Bator.

Newly-formed democratic parties and an emboldened offi-cial press have in recent

months launched an unprece-dented deluge of criticism against Moscow, and the Gov-ernment seems content to let

"I do not think it is wrong to criticise (the Soviet Union)

the acrimony continue.

Party.
The Soviet Red Army marched into a war-ravaged and starving Mongolia in 1921.
It quickly eradicated all foregon particularly Chirage influence, particularly China and Japanese, and nurtured an obedient government loyal to Moscow's command.



MR F W de Klerk, the South African President. is expected to visit Britain in May to meet Mrs Margaret Thatcher, the British Prime Minister, Patti Waldmeir writes from Cape Town. The meeting was announced yesterday by Mr Doug-las Hurd, the Foreign Secretary, who held talks with Mr de Klerk in Cape Town on the first day

of a two-day visit to South Africa.

Efforts were continuing last night to set up a meeting between Mr Hurd and Mr Nelson Mandela, the deputy president of the African National Congress. Mr Mandela has declined to meet Mr Hurd in South Africa, but may hold talks with him and his US countrains. talks with him, and his US counterpart. Mr James Baker, during Namibian independence celebrations which begin today. ANC leaders have criticised Britain for its

opposition to economic sanctions against Pre-

THE THAI Government's April 1 in Bangkok.

By Roger Matthews in Banckok

attempt to check inflationary

pressures by allowing the cen-

tral bank to raise interest rates, while responding to

union demands with a 15 per cent increase in the daily

unskilled labouring rate, was generally well received in Bangkok yesterday.

Parties within the ruling coalition claimed that the

package, announced on Friday, was politically well judged and demonstrated the will to tackle

toria. Ironically, however, a small ANC honour guard turned out to greet Mr Hurd when he toured British aid projects in the Brown's Farm squatter camp, near Cape Town. Following talks with Mr de Klerk and Mr Pik Botha, the South African Foreign Minister, Mr

Hard described the pace of change as "impressive" and announced an increase in bilaterei British aid to black South Africans. An extra £10m (\$16.20m) would be spent over the next three to four years. Britain's current aid to South Africa totals £7m. Mr Hurd is pictured above touring British aid projects in the Brown's Farm squatter camp, near Cape Town. Mr Hurd's visit was the first by a British Foreign Secretary since Sir Geoffey Howe vis-

ited South Africa in 1986, representing the

are now permitted to set their own fixed-term deposit rates.

Bankers predicted yesterday that it may take some time for

the market to adjust to the changes and for a consensus to

emerge. With the the marke

still enjoying plentiful short-term liquidity, banks are

competing to lend for attrac-

tive projects and may resist an immediate increase in interest

But in general they wel-comed evidence of the Govern-

ment's desire to slow the econ-

Bangladesh curbs public spending By David Housego THE Bangladesh Government has announced it will curb

public spending in a move believed aimed at securing release of fresh credits from the International Monetary Fund and the World Bank.
The measures come in the
wake of last Friday's resignation of Mr Wahidul Haq, the
Finance Minister, blamed for this year's sharp worsening in the budget deficit which has strained relations with the western financial establish-

Ministries have been told to hold current expenditure for the financial year ending June at the same level as 1988-89. Normally such spending is highest in the final months of the financial year. All transfers of diplomats have been suspended until the end of the

The Government's current budget had swung from a projected surplus of Taka 9bn (£171m) during the current year to an estimated deficit of Taka 10bn. The IMF and the World Bank were withholding credits of about \$500m because of concern over short-term economic management.

The disagreement seems to have come to a head with the recent visit to Dhaka of Mr Barber Conable, World Bank president. This alerted President Mohammed Ershad to how seriously the two institu-tions viewed the growth of the deficit - which meant that donor nations were being called on to finance both development and current spending. By contrast, Mr Haq, was less worried by macroeconomic stability arguing that "some-times a little extravagance, a little daring is rewarded". He has been succeeded by Maj Gen (Retd.) M.A. Munim who is also Minister of Agriculture.

Shevardnadze backs Angolan peace

Soviet Foreign Minister Eduard Shevardnadze, at the end of an 18-hour visit to Angola yesterday, supported Angolan government efforts to end a 15-year war against US-backed rebels, Reuter reports

demonstrated the win to tacket inflation, together with an appreciation of the difficulties facing many working class families in the capital. Basic omy after three years of double-digit growth-last year at 10.8 per cent-which has pushed inflation to its present annual rate of over 6 per centand deposit rates. As widely predicted, the ceiling on commercial bank lending rates was increased from 15 per cent to operation by Indian forces overseas, more than 80,000 daily rates will increase from Baht 78 (\$1.62) to Baht 90 on 16.5 per cent, while the banks troops were stationed there.

Thailand's interest rate and

wage increases well received

Although some employers

expressed dismay at the gov

ernment concession, the

impact of the increase on costs

and profitability will be limited

by the extent to which the

agreement is actually applied. Unions claim that relatively

few employers pay the present

Baht 78 daily rate, due to the surplus of unskilled labour

The main banks will, mean-while, be meeting informally

this week to set new lending

available in the capital.

Kevin Brown sees Asian immigration move to the forefront of a dull campaign

Racism row stirs up Australian election

Asian immigration moved to the forefront of the Australian general election campaign yesterday as the THE explosive issue of two main party leaders swapped angry accusations of

The exchange electrified an otherwise dull campaign, but could have serious consequences for Australia's relations with its Asian neighbours, especially Japan. The focus of the row was a Japanese proposal for a "city of the future" to be sited in Australia and populated largely by foreign scientists and academ-

ics.
The proposal, intended to improve Australia's access to high technology, was a non-is-sue in the first four weeks of the campaign because of the impending publication of a joint Australian/Japanese fea-

joint Australian/Japanese fea-sibility study, due to be released in June.

So most voters were sur-prised when the idea was sud-denly rejected yesterday by Mr Andrew Peacock, a leader of the opposition Liberal/National Party in the Coalition. The timing of the announce

ter, yesterday announced a package of new environmental measures worth more than A\$25m (£11.9m), writes Chris Sherwell.
The main feature of the

package is a A\$17m threeyear research programme on the "greenhouse" effect and climatic change. The Govern-ment will also be seeking a listing from World Heritage for two sub-Antarctic islands and for Shark Bay in Westem Australia.

ment. Mr Bob Hawke, Labor Prime Minister, accused Mr Peacock of "talking dangerous nonsense" and "an abuse of the obligations of political leadership". Labor officials said the coali-

tion was making an ugly bid to win votes by promoting poli-cies likely to appeal to the worst elements in Australian society. Mr Peacock also faced a hos-

tile media response - notably in a front-page comment in The Australian, the only nonpecialist national daily newsaper – which accused him of
scaremongering on a racial
heme".

The comment, signed by Mr

war white Austrana poncy,
abandoned in the 1970s.

Tempers were running so
high that in one bout of televised table thumping Mr Peacock managed to knock over specialist national daily news-paper – which accused him of "scaremongering on a racial theme".

most respected political com-mentators, said the opposition leader had "prejudiced the national interest in a way that should eliminate him from the Prime Ministership.

The newspaper added in its main editorial: "His appeal is to the fearful gut instincts of racism, to that minority of vot-

ers who yearn for the bygone days when Australia was white. Campaigning in the state of

Queensland, where the high profile of Japanese investment, immigration and tourism is a sensitive local issue. Mr Peacock appeared to be furious at a press conference called to respond to the allegations. Angrily defending his own "unimpeachable" record on immigration, Mr Peacock said his objection was to the potential creation of an "enclave" which would not be integrated with the rest of Australia. He accused Mr Hawke of "a desperate attempt" to smear the opposition, and claimed the Prime Minister's own record was flawed because he had

failed to oppose Labour's post-war "White Australia" policy,

Paul Kelly, one of Australia's most of the tape recorders being used by the reporters he was haranguing. It was a star-tling performance from the man who is regarded as Australia's most patrician politi-

But in spite of his anger, Mr Peacock did not explain why he had chosen to announce such an important change of coalition policy so close to polling day.

The announcement could

boost the coalition's chances in some merginal seats, particularly in Queensland, where Labor is hoping to make gains following a corruption scandal translation the forces whitehead involving the former National Party in the state government. However, the episode will fuel Labor claims that the coalition is making policy on the hoof without thinking through the issues involved. Mr Peacock's sudden change of tack could also be seen as evidence of a lack of judgment in an election which has become increasingly sharply focused on the two leaders. This is a contest in which Mr Peacock cannot afford to make mistakes since his approval rating is running at around 26 per cent, compared to 59 per cent for Mr Hawke.

Mr Peacock's fitness to move into the Prime Minister's office in Canberra has been an issue

throughout the campaign, partly because of the circumstances in which he took over the Liberal leadership after an acrimonious bout of infighting last year. It is an issue Mr Hawke has not hesitated to exploit, claiming that Mr Pea-cock is indecisive and does not command the full support of

his own party. However, the immigration row appeared to have done the coalition leader little harm when he left the press conference for a walkabout in a Brisbane arcade.

Passers-by cheered as Mr , Peacock shook shoppers' hands, ignoring a small group of protesters carrying placards reading "No man under the tan", and "Don't kiss my baby".

There was a similarly warm welcome from businessmen at a lunch organised by the Com-mittee for the Economic Development of Australia, where Mr Peacock repeated his rejection of the high-technology pro-posal Mr Peacock was at pains to stress that he favoured continued foreign investment in

However, critics said the coalition's change of policy could damage inward investment prospects by sending a message that Australia wants to keep Asia at arm's length.



in chip venture

By Louise Kehoe in San Francisco

TEXAS Instruments, the US

electronics and semiconductor maker, has formed a joint ven-ture company with Kobe Steel of Japan called KTI Semicon-

ductor to manufacture semi-conductor chips in Japan.

with Kobe Steel

FOAY MARCH

his and the

Kohe Steel will own a major-ity interest in the company, and TI will have a minority interest. An option exists for TI to increase its ownership percantage.

The companies will build a \$350m (£205m) chip plant in Hyogo Prefecture, Japan, to produce devices aimed primarily at the Japanese consumer electronics market.

The arrangement is the latest in a series of technology and marketing accords between US semiconductor panies and comes as the US Government is pressing Japan to boost its purchase of for-

icts. The TI-Kobe venture is likely

to contribute toward an easing of trade tensions between the

Semiconductor products made by the venture will be sold exclusively to II for distribution and sale by II to customers in Japan and other markets, the companies said. Building the jointly-owned plant will begin early next year and is due for completion by the end of 1991.

Full-scale production should be achieved by mid-1992. Total investment is estimated at out \$350m, including land, Kobe Steel will provide most of the equity capital required to start the new company.

Ti will provide extra funding, as well as technical assis tance in the form of design and manufacturing technology needed to build and operate the plant. Both parties will contribute

Texas Instruments | Uncertain fingers loosen the textiles knot

EC producers warily embrace the principle of an open market, writes Lucy Kellaway

ENSIBLE, pragmatic and balanced, was how Mr Frans Andriessen, the European Community's trade commissioner, described the Community's plans for phasing out the Multi-Fibre Arrangement and bringing the heavily protected textile industry der the umbrella of the Gen eral Agreement on Tariffs

Trade.

His audience, claimed to be the biggest gathering ever of European textile producers, fightly squeezed into a Brussels hotel last Friday, applauded with politeness rather than enthusiasm.

The next speaker, by contrast, was met with a rapturous response. Mr Julien Chartery and the contrast was met with a rapturous response.

ous response. Mr Julien Char-lier, president of the European Largest Textile and Apparel Companies, Eltac, described the importance of the textile industry to Europe and the risks it faced.

risks it faced.

He spoke of the 3m people employed in textiles in Europe, of the 100,000 companies with their \$150bn turnover, of Europe's \$10bn trade deficit in textiles and of its wages that were 20 times those of its Asian competitors. Asian competitors.

He spoke of the threats posed to the Suropean industry by the abolition of domestic quotas in 1992, and by the opening of the textile industry

to east Europe, and of the vital

☐ Clothing

Textiles and clothing production 1988

clothing and textile industries. However, even Mr Charlier conceded the ultimate aim of moving towards a free market in textiles. Indeed it was no longer a matter of whether the industry should abandon the esent system in which mar-its were now closed and competition highly distorted, but how and when

The EC's position, as spelled out by Mr Andriessen, is that when the present MFA system of bi-lateral restrictions

It would be replaced by a sys-tem of safeguards that would tied to moves by other countries to open their markets. tries to open their markets. Thus the MFA would gradu

ally disappear, and with it would go all the tariffs, non-tariff barriers and balance of payments restrictions that

Phasing out the MFA would both give protected industries time to become competitive,

Gatt rules to be strengthened to make sure that trade is fair

as well as free. Four areas in particular were mentioned by Mr Andriessen in which trade practices need to be tightened: dumping, subsidies, counterfeiting and on fair access to raw materials. The aim was that the Uruguay Round of trade negotiations under Gatt would produce such stronger rules as well as a fixed date by which the textile industry would be subject to them.

Many of the industry's repre-sentatives agreed with the general approach, but they argued that it was not feasible to expect Gatt principles to be introduced reliably or quickly. There would need to be at least one more MFA that was at least as strong as the existing one, they argued. The EC has not yet committed itself to how long the phase-out period should be the industry seems to judge 15 years minimum. On one thing, however, all participants were agreed: whatever system replaced the MFA would have to be the same the world over. Mr Andriessen attacked the US and Canadian proposals that the MFA should

be replaced by a system of global quotas that would run for about 10 years.

He said that the starting point should be existing

restrictions would increase the protection for the domestic industry, would mean putting limits on some products and countries not covered by the MFA, would hurt developing countries, and would damage the credibility of the whole

process of liberalisation. The discussion on Friday took place against a back-ground of increasing concern about the threat from eastern Europe. According to Mr Charlier, the economies of eastern Europe and the Soviet Union together had three times the textile capacity of the EC and, with far lower wages than in the west, posed a serious

Politicians would have to make the difficult political choice of whether to open to east Europe or to Asia: to do both was not possible, he said. The politicians present dis-missed this view as unduly alarmist. According to Mr Ren-

ato Ruggiero, the Italian trade minister, it was a non-issue as the goods were of poor enough quality to pose little real com-petitive threat.

Mr Andriessen went as far as to present the opening to east Europe as an advantage. He said that the process of bring down barriers was being done very gradually and, moreover, opening to the west meant more demand for European textile companies.

Courtaulds in China paint deal

COURTAULDS, the UK chemicals concern, is to become the first foreign company to make paint in China, following an agreement with three local companies for a marine coatings plant in Shanghai, Peter Montagnon

The venture, involving set ting up a £2m plant producing 5,000 tonnes of paint a year, is believed to be the first investment in China by a UK company since last year's Tlanan-men Square massacre.

Mr Derek Welch, Group General Manager of Courtaulds Coatings, says Western groups have preferred to license their technology for use by Chinese companies, rather than enter manufacturing agreements with Chinese partners

with Chinese partners.
Courtaulds, with a 51 per cent stake, has had permission to sell the output for hard cur-rency in the Chinese home market. This rare privilege reflects the savings China will make on not having to import marine paint once the plant is operational. The deal took two years, and will ease repatria-tion of earnings. Main local partner is Kai Lin Paint Manu-facturing Company with 29 per cent. China Ocean Shipping, and China State Shipbuilding Equipment and Material Co will split the remaining 20 per

Britain aims to curb other nations' export credit loss By Peter Montagnon, World Trade Editor

Co-operation and Development countries to curb spending on

Export Credits Guarantee
Department officials have told
exporters they will take
account of the prospects of success in this campaign when
setting new premium levels in
June as part of the ECGD's
medium-term credit insurance
services reform

The reforms are expected to include big increases in premiums for insuring exports to riskier markets. Though they have been in the pipeline for some time, preparations have alarmed the export industry, which fears the extra insur-ance cost will squeeze them

Exporters say ECGD officials have been seeking to reassure them by pointing to statements by Mr Nicholas Ridley, Trade and Industry Secretary, that the reform should not salke UK companies the competitive internationally.

to moderate its planned pre-mium increases if it appears unlikely that other agencies own charges in tandem. But exporters remain concerned that the ECGD is tightening its own rules when it is already tougher than many other age cies in setting cover limits and

By William Dulforce in Geneva

THE European Community proposes to abolish or reduce

barriers to imports of tropical

products currently valued at Ecu10.4bn (£7.7bn) a year as part of its contribution to a

successful outcome of the Uru-guay Round of the General

Agreement on Tariffs and Trade. Liberalisation of trade in tropical products, of vital

interest to developing countries, is an agreed priority for

Brussels' offer would totally

ed tropical products,

eliminate customs duties on

products by 35 per cent and reduce them by 50 per cent on finished products. Annual Cus-

toms revenue would be cut from Ecu690m to Ecu240m. In addition, the Community

said it was willing to reduce internal levies on coffee, cocoa

and tea, if exporters could show that these taxes had a

real impact on trade in these

In fact, these levies, applied in West Germany and Den-

mark, could well disappear, as

the 12 member states harmon-

ise their internal tax regimes

in preparation for the single

The Community's proposal is double-edged and conditional.

it would expose to greater com-

petition more than 60 African,

market in 1993.

cut tariffs on semi-process

Brussels offers to ease

tropical imports barriers

THE UK is to mount a lits practice of charging a vigorous campaign in the premium on both the interest and principal of credits puts it organisation for Economic at the expensive end of the spectrum as a provider of insurance services, and there is no escaping the fact that the intention of the reforms is that the ECGD should charge higher premiums, thereby

reducing us josses.

The reform of the department's including term credit insurance facilities relies to introducing new actuarial ject. niques allowing the ECGD to calculate the preportion of its

assess the husiness of other export credit agencies and disclose how far they are subsi-dised. The ECGD believes this ons it needs to make other countries produce more transexport credit agencies and embarrass them into cutting

where the agency is already heavily exposed. This is part of the reforms and is designed to help the ECGD overcome its heavy concentration of risk in handful of leading market such as Hong Kong and China Yet ECGD officials acknowledge they will have to be carenumber of these markets because of the diplomatic diffi-

tries, whose exports to the EC

enjoy preferential treatment. Of the Eculo.4bn in imports covered by the offer, Ecu?.7bn-

worth are currently affected

under preferences. But Tran Van Thinh, head of the EC del-

egation to Gatt, said neither the Community nor the export-

ing countries affected could

ignore the multilateral thrust behind the trade-liberalising

The RC's offer excludes

bananas, one of the most sensi-

tive items in the spectrum of EC trade, and all vegetable oils

apart from coconut oil. Some excluded items come under the talks on the reform of world

Brussels made preliminary

cuts in tariffs on some tropical products unilaterally last July. It said that its latest offer

could be "developed, consoli-dated or reduced" in accor-

tries' readiness to remove restrictions on access to their

markets in the Uruguay

for importing countries to table

offers to remove barriers to

imports of tropical products. So

far, the Gatt secretariat has received 15, including that from the EC More are expec-

March 15 was the deadline

FIVE YEARS AGO, THEY MADE YOU LOOK A LOONY.

NOW THEY MAKE YOU LOOK A SHREWD INVESTOR.

How times change.

Five years ago, being green-hardly made you the envy of your neighbours.

And saying no to the arms trade or animal testing put you somewhere out on the loony fringe.

So the idea of making money without sacrificing your principles may have seemed a bit eccentric at the time.

Now it looks like an idea whose time has come.

Had you invested £1000 in our original Stewardship unit trust on March 1st 1985, it would have been worth £2141 five years later.*

Of course, we should point out that the price of units - and therefore the value of your investment - can go down as well as up.

And past performance isn't necessarily a guarantee of future results.

But what exactly is Stewardship all

First, we seek to invest in companies demonstrating a commitment to ethical principles.

STEWARDSHI

Name: (Mr./Mrs./Miss/Ms)



(Not surprisingly, such companies tend to be well managed and produce excellent

We also believe in steering clear of companies involved in arms manufacture, oppressive regimes or animal testing.

We'd also point out that Stewardship

isn't just another green unit trust but a whole way of planning your financial

You can have your mortgage, pension or life insurance all linked to Stewardship investments.

Alternatively, you can choose to invest £1000 upwards in one of our three Stewardship unit trusts.

Or you may prefer the tax-saving advantages of our new Stewardship

You can even start a regular savings plan linked to Stewardship for as little as £30 a month.

Putting your money where your principles are could prove to be your shrewdest move yet.

But please, don't wait another five years to find out.

For more details about investing in Stewardship, talk to your financial adviser or return the coupon below to Friends Provident Life Office, FREEPOST (NW4 599) London NW9 7QP. Or call us free on 0800 300 399 anytime.

onl/calculated on an offer to bid basis, with not income

INVESTMENTS

Soviet-US trade talks open

THE Soviet Union and US have opened four days of talks aimed at dismantling barriers to bilateral trade and extending a multi-billion-dollar pact that governs US grain sales to the Soviet Union, Reuter

reports from Vienna. President Mikhail Gorbachev and President George Bush are seeking a trade accord in time for a June superpower summit. Two days will be spent drafting a bilat-eral agreement, expected to offer Moscow better trade

terms, and possibly leading to

The Vienna meeting is the third set of talks on the trade accord, which is a prerequisite for the US granting the Soviet Union Most Favoured Nation (MFN) trade status, with the lowest possible tariff rates on

exports to the US.
Mr Julius Katz, deputy US Trade Representative, said he did not expect to wrap up the trade talks this week. Washington is known to want to limit MFN status to one year initially, while Moscow prefers ETHICAL

Yes, please seed me details of Stewardship ethical investments. I am over 18. There is absolutely no obligation and no salesman will call. Not available to residents of the Republic of Ireland or to U.S. Nationals.

Friends Provident is the business name of the Friends Provident Marketing Group. Friends' Provident Life Office and Friends' Provident Unit Trust Managers Limited are members of that Group and of Lautro and IMRO. Friends' Provident Unit Trust Managers Limited is also a member of the Unit Trust Association.

Shell production in 1989 falls

Safety work set to knock North Sea oil output

SHELL UK yesterday forecast another difficult year for North Sea oil production owing to a large programme of offshore platform refurbishment and installation of safety

duction fell by 29 per cent to 245,000 barrels a day, compared to 1988, and that production this year was expected to be only marginally better. Shell and its joint venture partner Esso account for about one quarter of UK production.

Much of the down time is accounted for by the fitting of emergency shutdown valves, which were required by the government following the Piper Alpha oil platform disaster in which 167 men died. Shell is also proceeding with a platform refurblehment programme cosing hundreds of millions of pounds aimed at extending the life of older installations in the North Sea.

Mr Bob Reid, Shell UK chairman, said the complexity of the

to forecast precise shutdown times. The Brent field would be operating at little better than half capacity for much of the year, and the Brent pipeline em was expected to be shut for between four to six weeks in the fourth quarter, when demand for oil is typically

Mr Chris Fay, managing director of exploration and pro-duction, said Shell might have preferred to delay shutdown of the Brent line but was required by legislation to install the safety valves by the end of the

Other UK offshore operators are also planning a high vol-ume of maintenance work this

The cut in output caused to fall by £45m to £195m in spite of a 25 per cent rise in sterling oil prices. For Shell UK as a whole after-tax profits rose from £285m to £363m, led by a recovery in oil marketing and refining from a loss of 238m to 236m in profits. The recovery was led by better refinery performance and lifted the return on capital employed to eight per cert

to eight per cent. Mr Roy Reynolds, managing director for marketing and refining said that Shell did not dispute the fairness of the film fine for Shell's oil spill in the Mersey last year. However, he called for all polluters to be treated equally regardless of ability to pay. Otherwise, he said, large companies would have an unfair burden that might cause them to withdraw from some industries where environmental incidents are a environmental inchemis are a significant risk. This, he suggested, might leave the field to unresponsible compa-nies which could not shoulder the burden of expensive clean-up operations, which in

Shell's case cost £1.6m.
Shell expects its staff in mareting and refining to continue falling in the coming years from about 5,000 to 4,000. This part of the business employed over 10,000 in the early 80s. Shell's capital expenditure last year came to £720m, up from £667 in 1988.

Images of the Great British Budget begin to fade

Peter Norman looks back at a unique national institution which may be entering its twilight years

Y S THE Great British Budget in danger?
This might seem an odd

question on a day when the Chancellor of the Exchequer's Budget speech will be virtually inescapable because of live televised coverage from the

House of Commons.

But there are disturbing signs that the ballyhoo that has made the British Budget a unique national and international event is on the wane. The Budget has traditionally provided a rare insight into the national psyche. The average Briton's love-hate relationship with the taxman has been acted out along well rehearsed lines, rather in the manner of a

medieval mystery play.

The script has required the Chancellor to make various heart warming gestures as a preliminary to depriving or giving back to the British pub-lic some of its hard-earned lic some of its naru-earneu cash. This year, despite or perhaps because of the likely absence of Budget give-aways, Mr John Major, the Chancellor, has failed to enter into the

has failed to enter into the spirit of things.

Last weekend he broke with tradition by eachewing the opportunity to be photographed in a rustic setting in his constituency.

Even Mr Nigel Lawson, who was no friend of the frivolous, could be cajoled into wearing woolly and wellies for a game of ball with his children in the garden of his Leicestershire vicarage home. Sir Geoffrey vicarage home. Sir Geoffrey Howe was once caught for posterity outside a country pub with a glass of beer in his hand and "Budget", his pet dog, on his lap.

Symptomatic of something amiss, Ladbrokes, the coun-try's biggest bookie reported last week that nobody had placed any bets on the possible Budget outcome.

The annual political event that had come to highlight the



IMAGES OF THE PAST: Budget Day for two former Chancellors, Sir Winston Churchill, 1925-29, in Whitehall and Mr Hugh Gaitskell, 1950-51, with Budget briefcas

great British virtue of facing adversity with good cheer is in danger this year of türning into a mega yawn. But the eclipse of the Budget is not all Mr Major's fault. After all, he and his senior officials have been locked away in pre-Budget purdah since the beginning of this year, devising the secrets that will be unveiled from the battered red wood and leather box that was used by Mr William Gladstone over a century ago.

The Treasury mantra that the Budget will be "prudent and cautious" has done little to

whet the appetite.

The Budget this year has also had to compete with momentous events abroad, including the democratisation ôf eastern Europe, German unification and an English Test match victory in the West

There is also a sneaking suspicion that Mr Major will want, as far as possible, to adopt a low profile, on this the Chancellor's big day. The community tharge, or poll tax, has put taxation in a more than partety profile seam the far usually unpleasant light. Mr Major is bound to suffer some fall out from Thursday's Mid-Staffordshire by-election, if it results in the widely forecast Conservative defeat.

But it may be that the Chan-cellor is merely a shrewd judge of the times in which we live. Other traditions come and go. Why should Budget Day be

In truth, historical trends have been undermining the status of the British Budget. When, in 1853, Gladstone claimed the record for the longest Budget speech, delivering 35,000 words in 4 hours 45 min-

s, Britain was the workshop of the world and building an empire on which the sun never

Today, the UK is just one of several mediatin sized industrial economies struggling to make a living in a harsh, competitive world. The Budget itself is a mere shadow of its former self, it no longer details the Communication. the Government's spending plans for the financial year starting in April – that is the job of the Chancellor's Autumn Statement, given to Parliament the previous November.

The direct influence that the Chancellor can have on the economy through tax changes pales into insignificance com-pared with the impact of interest rates on deregulated credit markets. In some recent months, the growth of bank twice the £4bn "give-away" in Mr Lawson's radical 1988 Bud-

The obsessive Budget secrecy that pervades the Treasury from January onwards still generates some heat, particularly among journalists and in worthy organisations such as the Institute for Fiscal But even this tradition has

suffered at the hands of time. "Strategic" tax changes are often aired in advance in green

paper form.
Suggestions have been made over the years for further reform of the Budget process, including a separate tax management act for the many uncontroversial and technical changes that jostle for attention each year with the Chan-cellor's main tax decisions and

But advocates of such "open taxation" policies have made little progress

when still in opposition in the late 1970s, Sir Geoffrey Howe, now the deputy Prime Minister, condemned the "fiscal fait accompli" of the Budget as leading to "confused and confusing" tax laws.

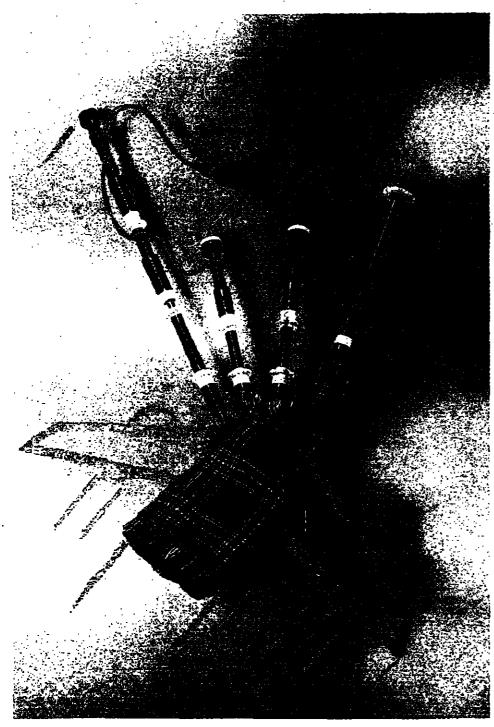
Today, Sir Geoffrey, who delivered the five Budgets of Mrs Thatcher's first term, takes a much more positive

takes a much more positive view of the process. The option of surprise in the Budet can have a significant polit-

ical signal effect," he says. Looking back to his own first Budget in 1979, Sir Geoffrey recalls an event "of high drama. It's like producing a new play with all the combina-tion of theatre and substance."

We will have to see this afternoon whether John Major rises to the occasion.

Air UK. Calling the tune between London and Scotland.



Whether you're heading for Edinburgh or Glasgow, Air UK's Sterling service from London Gatwick is really worth sounding off about. with 7 flights a day to choose from, both

in and out of Glasgow and Edinburgh, you can actually tailor your departures to fit your meeting schedules, and since you'll be travelling on the "whispering jet," (the British Aerospace 146), you can be sure of arriving in good shape, having sampled our complimentary meals, drinks and papers en route.

iss't that music to your ears?

For further details, call your Travel Agent, or Air UK on \$345 656777 (for

the price of a local call).

Where business takes off

Manx fraud trial will be a legal milestone

important trial in Manx his-tory is due to start today in the seaside village of Port

Erin, on the Isle of Man.
Eight former directors, officials and agents of the collapsed Savings and investment Bank jointly and separately

counts, including frand and false accounting. The bank crashed in Jane 1982, with about £42m in debts, depriving many deposi-tors of their life savings. On trial will be Mr Victor the beneficial owner of the bank; Mr Robert Killin, former managing director; Mr John Cuuningham, former manager; Mr Norman Ashton-Hill, solicitor and director of the bank: Mr Mark Moroney, advocate and director; and agents Mr Michael Crawe, Mr Dennis Finfer and hir Joseph Grafham. The trial is expected to last six to nine months and may

cost the Isle of Man Govern-

ment £10m. It is paying for the ministration of the trial, the prosecution and legal aid for

Clothes exports rise only 2%

Many islanders feel the money would be better spent on compensation for the credi-tors. Others feel it is essential

has been appointed acting deemster (judge) for the case, for which he will travel from Port Erin has been converted offices for the many barristers and solicitors acting those

The selection of a jury is likely to prove difficult and about 600 jury summonses have been sent out. In such a small community many will be eliminated by virtue of a prior relationship with the bank or

THE CLOTHING industry, which is straggling against a downturn in its domestic mar-ket, increased export sales only 2 per cent to £1.45 m last year, according to the British Knitting and Clothing Export Council, writes Alice Rawsthorn.

ing companies — which tend to sell abroad on the cachet of traditional British styles such as trilored tweeds and cashmere knitwear — have been able to rely on healthy export growth to counter the weakness of the home market.

But in 1989 the clothing

overseas markets. They man aged significant incres exports to some countries such as Japan where sales rose 30 per cent to £82m - but suffered falls in other markets. As a result the overall level of

exports was static.
The clothing industry, city areas, has been hit by a spate of job losses and factory closures in recent months.

INFORMATIONS

Change is coming swiftly in Germany..... Barriers are breaking down. History is being made. And business opportunities created.

GERMAN

German Brief, a monthly English language newsletter with a four-page weekly news update, is published by Frankfurter Allgemeine Zeltung Informationsdienste, a division of West Germany's most respected business newspaper, and presented by Financial Times Newsletters in the UK. As well as reviewing and commenting on major political and economic events, German Brief keeps its readers informed on likely developments within key sectors of German industry and is a vital addition to the international business person's reading.

German Brief also provides subscribers with:

• Facts and figures on economic developments such as exports and imports. balance of trade, consumer trends and inflation rates.

An exclusive rating system of 9 key German industrial sectors

showing current levels of activity and forecasts for the coming months.

Analyses of the rapidly changing situation in East Germany and its impact on the economy and politics of West Germany.

Profiles of leading West German companies and smaller but significant exporters.

Information on major trade fairs, conferences and other events well in

A copy of the German Handbook, a compact business guide which is

peci Offe	1

would like to subscribe to GERMAN ERREF for one year at £530 inc. postage I enclose a cheque for \$330 made payable to F.T. Business Information (GB)

☐ Please bill me/my company Return this form to Judith Harris, PO Box 512,

alsohone: 01-240 9591 Teles: 296926 BUSINF G Fax: 01-240 7946

DAY MARCH





lothes exp Se univ 20,

K of the same as 8424 - FE turk sasau intige ★ 是 点点 法付款已经 \$ 16 h 1 125 25 2

artico, in the residence 海上的 电压力选择 agent of Japan # 作 ... さね 1 章 g 45 to 10 12 222 🏰 Lander 😅

for British tank contract By David White, Defence Correspondent THE COMPETITION for the ber," one official said. British Army's next tank

Britain's Nato allies. Expected to be ordered has its prime rival is the MIA2. Shrunk from the initial estiversion of the US Abrams tank. made by General Dynamics, but the West German Krause

Maffel Leopard 2 is also a serious contender.

The Ministry of Defence said it had received an unsolicited approach from France's state approach from France's state land-systems concern Groupe-ment Industriel des Armements Terrestres (GIAT), which is developing the Leclerc tank for the French

Details of the French pro-posal were still being awaited. Officials said that the door was still open but that the French bid came very late in the day. "They have to remember we have a time-scale. It's make-up-your-mind time in Decem-

Police unit to

investigate UK

'war criminals'

A SPECIAL unit of London's

seek evidence in support of

allegations that perpetrators

of German war crimes commit-ted at least 45 years ago are

resident in Britain, Mr David Waddington, the Home Secre-tary, told the House of Com-

He stressed that the unit, initially composed of nine police officers with appropri-

ate supporting staff, would not commence operations until the

War Crimes Bill had been approved by Parliament.
Mr Waddington rejected suggestions that the Government

should follow the advice of Lord Shawcross, who as Attor-ney General was chief British

prosecutor at the Nuremberg war crime trials, and not pro-ceed with the measure.

The Home Secretary told Conservative MP Mr Ian Gow, who urged him to discuss the

issue with Lord Shawcross, that at the end of the day it was the Government which

had to make the very difficult decision to invite Parliament

to pass the Bill. Mr Roy Hattersley, the oppo-

sition Labour Party's deputy leader and shadow home secre

tary, announced that Labour MPs would have a free vote on

Mr Waddington gave an

used by British courts either required no change in existing law or were consistent with

ce that the procedures

Metropolitan Police would

ivor Owen,

Parliamentary

Correspondent

British Army's next tank A decision on the politically-developed into a four-cornered charged issue of whether to developed into a four-cornered rate yesterday with the news that France was entering a last minute bid.

Vickers, the UK's sole remaining tank manufacturer, will now be pitting its new Challenger 2 against all the latest main battle tanks from Britain's Nato allies.

Britain's Nato allies.

Its prime rival is the M1A2 shrunk from the initial esti-

French launch late bid

Vickers is due to complete nine prototypes by the end of September, which will be eval-uated against the other con-

mate of 650 to between 300 and

tesiders.

The company said it expected fully to meet the conditions of the second of three "nille-stones" in its contract, which falls due at the end of this month. These conditions include the integration of Royal Ordnance's new Charin (Challenger Armament) gun, delivery of a protetype weapon system for testing and the start of live firing trials. Vickers is understood to have built five of the prototypes already.

Among the other contenders,

opinion in the Army appears electly to lavour the Abrams. an option which Sr Peter Lev-ene, the MoD's chief of defence procurement, is understood to have batked in 1988.

However, the Germans, who initially believed that the Leep-ard 2 stood little chance on political grounds of becoming the British Army's first post-war streign tank, have been mounting a strong entimalen.
The French tank was originally considered out of the running because of its state of development and doubts about

A prototype of the Leclerc is to be shown at the Satory arms exhibition outside Paris in June. The tank has an automatic loading system which allows it to function with a man crew. The first production tank is due for delivery to the French army in December,

Mel.

GIAT, which belongs to the simaments branch of the Freich Ministry of Defence, is being converted into an autonomous company with effect from July this year.

Sainsbury increases pay to slow down retail staff turnover

By John Gapper, Labour Editor

supermarket chain, yesterday awarded its 60,000 retail staff pay increases of between 8.5 and 20 per cent in an effort to cut staff turnover. The pay award will cost the company 11

per cent in all.

The award is the kiggest rise given by a multiple refaller in recent years, and indicates the stiff competition for staff within the industry. Check-out operators and craft workers

such as bakers were given the biggest rises.

The pay award follows a job evaluation carried out by a management consultant, which the company hopes will protect it against equal pay claims from women check-out opera-tors comparing their work to male manual workers.

It comes amid renewed pay

pressure in other parts of the economy and may be regarded as a benchmark in the service said it was a "one-off" that had

The pay of a check-out operator in the south-east rose from £121.34 to £138.89 for a 39-hour week, while that of a baker increased from £147.48 to £177.58 · a rise of 20.4 per cent.

8.5 per cent rise. Staff turnover at the company has been running at up to 40 per cent in the past two years, and Sainsbury said it wanted to restore what it said

SAINSBURY, the was its traditional position of remarket chain, yesterday leading the pay league in retailing with Marks and Spen-

Mr David Quarnby, joint managing director, said the award reflected the growing skill demands on shall such as check out operators because of new technology and improvements in customer service.

He said Sainsbury hoped to recome some of the cost of the award by reducing shall turnover. The award also includes improvements in holiday enti-

tlement and increases in staff discounts for part-timers.

The job evaluation was company's annual pay review. A staff panel was consulted on how the 57 new job definitions produced by Hay Management Consultants would fit into the company's five staff grades.

It follows a ruling by an industrial tribunal last year

industrial tribunal last year that the job of a woman checkout operator at a south London Sainsbury store could be compared to a warshouse worker under equal pay for work of equal value law.

Usdaw, the distributive trades union, said it was dropping the equal pay claim on behalf of the checkout operator. It welcomed Sainsbury's

tor. It welcomed Sainsbury's job evaluation and called on other retailers to follow.

The pay award follows substantial rises for young workers awarded by several big

steps already approved by Parliament. hy Dixons is plugged in to more than its fair share of the UK's £4 billion tourist market.

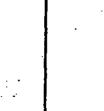
> Even before they disembark at the airport, overseas visitors know that Dixons is the place to go for cameras, radios and computers.

And they know that Dixons offer a VAT refund service. They know because we tell them. We tell them in promotional activities, in shopping guides and in our advertising targeted at the

Japanese, the Americans and the Arabs and other key nationals. And we offer your customers a superior service.

Unlike some other VAT refund operators, we pay the customer's VAT claims by return and before we ask you, the retailer, for funds. And we do it in any of eleven currencies, to a credit card account or in cash. You see, as the only unified European VAT refund service, we don't believe our

retailers should finance our business. To find out how you can turn on potential incremental profit from overseas visitors at no cost to your company, simply ring Lars Welinder on 01-785 3277 or write to: Europe Tax Free Shopping, Europa House, 266 Upper Richmond Road, London



The extingted spend by non-EC visitors in Britain according to the 1988 FS survey

GIAT competes with German, US and UK models | In Brief Daiwa HQ in Europe planned for London

Daiwa Securities, one of the world's largest securities groups, has formed a joint ventane with London & Edinburgh Trust, the British property company, to develop a new European headquarters in the City of London.

The venture marks another step in the Japanese penetra-tion of the City of London property market and empharises what Daiwa called "its long term commitment both to Europe as well as the City of London as its financial capi-

Perrier back on sale Perrier mineral water will be back on sale in the UK on April 2, the company said yes-

terday. Stocks were withdrawn in mid-February after traces of benzene, a cencer-linked chemical, were found in some botties. The contamination was traced to a filtration fault at French production plant.

Error 'cost' £430,000 A clerical error cost Standard Chartered Bank 2430,000, the High Court was told to yester-

day. Mr David Hunt, for Standard Chartered, said that the money was paid from the account of Mr Therlu Bangura, managing director of Sierra Leone Fish-ing Company, whose signature appeared on a cheque for \$430,000 to Fimpex Trading. The bank claims it is entitled to the money either from Mr Bangura, if the cheque is genu-ine - which Mr Bangura denies - or from Finnex, with which

Mr Bangura had business over shipments of cement. Both defendants contest the

Power officials warn ministers of failure to meet guidelines

Britain told power clean-up must go ahead

THE electricity industry has warned UK ministers that Britain will fail to meet its low-sulphur coal and printing warned UK ministers that Britain will fail to meet its obligations on combating acid rain pollution if it abandons a £2bn programme for cleaning

up power stations. The Department of Energy

contaminated seawater is a

direct cause of human disease is given by 20 of the world's leading marine scientists in a report published by the United

Nations Environment Pro-

gramme yesterday.
Professor Alasdair McIntyre
of Aberdeen University, chair-

man of the group, which produced the report said: "We no

longer accept the earlier view that there was no demonstra-ble causal link between human disease and bathing in contam-inated seawater."

Issued segwater.

It warns of a serious deterioration of coastal areas, particularly as a result of the build up
of tourist developments and
industry on coastines.

The report says "man's fingerprint is found everywhere in the oceans. Chemical con-

tamination and litter can be

observed from the poles to the tropics and from beaches to abyssal depths."

It says recent studies in the

United States and Mediterra-nean have cast a new light on the relationship between swim-

ming in seawater contami-nated with raw sewage and dis-

ease among bathers. Prof

Report links disease

A WARNING that bathing in McIntyre said the relationship

with sea pollution

By John Hunt, Environment Correspondent

had been exploring whether it might not be cheaper to reduce sulphur emissions, a prime cause of acid rain, from the

natural gas in power stations. However, electricity officials

have apparently persuaded the department that these measures would be insufficient to meet the international timetable for sulphur reductions and that at least £1.4bn must be spent on large-scale flue gas

was particularly strong in the case of children under five.

But the scientists believe the

dangers of radioactive contami-

nation have been exaggerated.

Contamination from nuclear

installations, weapons testing

and the Chernobyl disaster have added to radioactive lev-

els in seawater "but these addi-tions have had insignificant

heavy use of fertilisers.

Oceans and Coastal Areas Programme Activity Centre, UNEP,

gramme Activity Centre, UNEF, PO Box 30552, Nairobi, Kenya.

desulphurisation (FGD) equip-

Under the original programme, announced two years ago, the Central Electricity Generating Board was to have fitted FGD to some 12,000 MW of coal-fired generating capacity, costing £2bn., or £350m for each 2,000MW power station, at present prices. National Power, the CEGB's

larger successor company, is installing FGD at the 4,000MW power station at Drax, North Yorkshire.

Now PowerGen, its sister company, says that it too needs to fit FGD in at least two 2,000MW stations. It has provi-sionally selected Ferrybridge and Ratcliffe on Soar, and has invited FGD equipment manu-

Lakes will suffer from acid rain 'for decades'

By John Hunt, Environment Correspondent

and Scotland will suffer the effects of acid rain for decades to come even if there is a big reduction in sulphur dioxide emissions, according to a study by British, Norwegian and Swedish scientists.

The five-year study, involving 30 research groups, confirms that acid rain is caused mainly by emissions from coal-fired power stations. The report of the Surface Water Acidification Pro-

effects on man and other organisms." The report warns that the introduction of nutrients, chiefly nitrates and phos-phates, is increasing and causgramme (Swap) says that in gramme (Swap) says that in some highly acidified lakes even the reduction of 60 per cent in sulphur dioxide emissions, as proposed by the EC by the year 2003, may not be enough to guarantee success in renewing fish stocks for several decades unless there is special treatment of the suring an increase in the plankton blooms that threaten marine life. These come mainly from agricultural run offs from the "The haphazard disposal of plastic material on land and special treatment of the sur-

rounding soil.

The report shows a decrease in the acidity of rain and snow from ships results in littering of beaches and seriously dam-ages marine wildlife, particu-larly sea mammals, diving birds and reptiles." as a result of reduced sulphur dioxide emissions over the past decade. This has been reflected The State of the Marine Envi-ronment, UNEP Regional Seas Reports and Studies No 115,

decade. This has been remeated in a slight decline in the acid-ity of some lakes. The study shows that many lakes in Scotland and southern Scandinavia have undergone

MANY lakes in Scandinavia acidification for more than a century. It says fish, especially salmon and trout, cannot sur-vive if the acidity remains above a critical level for long

> • Britain is heading for a bat-tle with other EC member states on Thursday over a proposal from the Brussels Commission to reduce emissions of carbon dioxide, which is the main contributor to global warming - the greenhouse

effect.
The Commission wants an agreed position to stabilise the amount of carbon dioxide in the atmosphere by the year 2000 and will put this proposal at this week's council of EC environment ministers. Mr Chris Patten, the UK Environment Secretary, will argue that such a target is premature.

Britain believes that it is better to await the Intergovern-mental Panel on Climate Change. This will report this summer, giving its assessment of the threat of global warming and how the international com-munity should react. Carbon dioxide comes from the burn-ing of fossil fuels, mainly coal, oil and, to a lesser extent, gas.



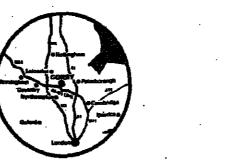
INVEST IN SUCCESS FOR THE NINETIES

Corby. Where a new dynamism has fused with centuriesold traditions to create a unique living and working environment.

Corby. Where a business renaissance has won a place in the top ten UK towns for dynamic growth. **Corby.** Where townscape, modern industries and beautiful countryside blend into a harmonious

Corby. Where stately homes and warm brownstone villages are only minutes away – and London and major airports only an hour.

Corby. Where leisure pursuits match every lifestyle. **Corby.** Where your company will be in good company.



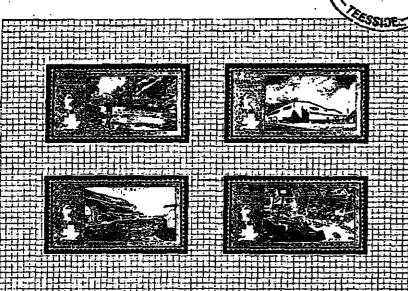
Corby Industrial Development Centre, Grosvenor House, George Street, Corby, Northants NN17 ITZ. Tel 0536 62571

FT LAW REPORTS

Shipowner not liable for trader's lost opportunity

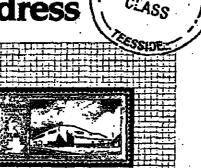
Give your company a first class address

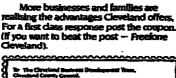




Skilled and adaptable people, loyal and hardworking. Low cost factories and

air and inter city services. Also Cleveland has the second largest port in England. Beautiful coast and country on the doorse





0000

THE BALEARES Queen's Bench Division (Commercial Court): Mr Justice Webster: March 14 1990

A TRADER who contracts to buy goods free on board a chartered vessel if loaded-within a specified time, and to re-sell, cannot recover damages against the shipowners under the charter if, not knowing of the contracts and not foreseeing loss from late loading, they delay delivery of the vessel beyond her estimated vessel beyond her estimated time of arrival, so that in the meantime the goods have been sold to other buyers. And where the market price is pushed up by rumours of the ship's delay, any damages for loss to the trader of opportunity to buy foreseeable by the shipowners, knowing him to be a trader, would be nominal only in that the cost of acquironly, in that the cost of acquir-ing the cargo in the hyped market would be cancelled out by its rise in value. Mr Justice Webster so held

when allowing an appeal by Geogas SA, owner of the Baleares, from an arbitrators' award of damages to the char-terer, Trammo Gas Ltd, in respect of loss resulting from the vessel's non-arrival in time for loading.
HIS LORDSHIP said that by a charterparty dated January 12
1987, Geogas as owner agreed

with Trammo as charterer that the Baleares, or a suitable substitute in owners' option, should "with all convenient despatch proceed" to Bethioua, Algeria to load 30,000 tonnes of

propane.
Under the charter the estimated time of arrival (eta) at Bethloua was January 31, with laydays beginning January 30 and cancelling February 5. Trammo made the fixture for the purposes of a contract with Sonatrach, Algerian suppliers of propane, by which Trammo had agreed to buy 30,000 tonnes of propane 1.0.b.

Bethlous, to be lifted in January at \$103 per tonne.
By that contract Sonatrach was not obliged to deliver the propane at that price unless Trammo presented a vessel at Bethioua capable of loading

within January 20 Geogas telexed Transmo purporting to substitute Stena Oceanica for Baleares. It said the substitute would not be able to meet the cancelling date, and proposed a new laycan of February 10 to 15. Trammo protested. It told Geogas that late arrival would

cause damage for which it would seek compensation.
On February 6 neither Baleares nor Stena Oceanica had arrived at Bethiona. Trammo

Trammo had intended to use the Baleares cargo to supply various purchasers under con-tracts, some of which had been concluded before the Baleares fixture. It was obliged to settle claims totalling \$2.05m for non-delivery under the on-sale contracts. Geogas was ordered by arbi-

trators to pay Trammo \$14m damages. Geogas now appealed. The question was whether, on the facts found by the arbitrators, Trammo was entitled to recover damages.

The arbitrators held that

Geogas was in breach of charter in two respects: first, by giving an eta without reasonable grounds for believing it could be complied with; and second, by breach of implied obligation (the reasonable despatch obligation) to proceed so as to be reasonably certain of arriving at Bethious on or about Jamany 31.

Trammo claimed damages for loss caused by those two

for loss caused by those two breaches under two alternative heads: for approximately \$3m for loss of cargo which would have been delivered to it at Bethioua at \$103 per tonne; or for loss of \$820,075 profits on existing resale contracts, or \$2.05m indemnity in respect of liability to on-sale purchasers.

from Sonatrach was not caused by failure to give a reasonable eta or to proceed in time to meet the eta; and that even if the loss had been caused by such breach, it was too remote because Geogra had no know-ledge of the existence of the contract between Trammo and Sonatrach. Geogas could not have foreseen the loss.

They also decided that Tramno had not made good its alternative claims, in that Geo-gas had no knowledge of the resale contracts and the claims were too remote.

Nonetheless, the arbitrators concluded that Trammo had suffered a loss which gave it a right to recover dama They found that between June 1985 when Trammo con-tracted with Sonairach, and

the beginning of February 1987, the market price of propose rose from \$103 per toms to \$205 per tome. The trading market was small and rumours market was small and rumours of delays in shipment of the Baleares cargo pushed the market higher — a phenomenon known as "hype." As knowledge of probable delay became firmer Trammo's customers approached Sonatrach direct. When it became apparent that Baleares would be delayed into the second week of February. the second week of February, Sonatrach sold the cargo intended for Baleares to those

purchasers at \$205.

The arbitrators were satisfied that knowledge of the delay had a significant and independent effect on the market price, and that the delay into February was the cause of at least \$50 per tonne of the rise in spot market prices in late January/early February. They found that the increase attributable to hype consti-

The arbitrators rejected the first claim on the grounds that the loss of the January loading caused by non-excusable delay. the only reason for denying recovery must be on grounds of remoteness. Geogas was the major trader in propane and knew as much about the small

market as anybody.

They concluded that the \$50 per tonne loss caused by hype resulted from Geogas's breach of charter and was not too remote, and provided the correct measure of damages for

breach of contract.
Mr Goldsmith contended that the award was wrong on the ground, inter alia, that the loss in respect of which damages were awarded was a loss for which damages were irre-

The object of damages for breach of contract was to put the aggrieved party into the same position as he would have been in had the breach not occurred, taking into account such consequences of breach as should reasonably have been contemplated by the parties; but, in the absence of notice, not taking into account special facts such as Trammo's contract with Sonatrach or the resale contracts, of which Geogas had no knowledge.

The material facts were that the claim was for failure to load goods not yet acquired by Trammo, so far as Geogas

The arbitrators found that Geogas knew Trammo was a trader as distinct from a consumer. So the relevant benefit which Trammo lost as a result of Geogas's breach was the right to be given the opportunity to acquire, by loading at the beginning of February, propane for resale or stock.

The relevant value was the net value of the opportunity. The net value would be the

value of the cargo when acquired less cost of acquisi-tion. Whether resold or kept in stock, the resale or stock value would, in the absence of special facts, be market price on day of acquisition and notional

resale or retention. Thus although the market price had risen by \$50 per tonne as a result of Geogra's breach, so that it would have breach, so that it would have cost Trammo \$50 per tonne more to buy the cargo, that extra cost would have been equally matched and cancelled by the rise in value. At best, therefore, Trammo was only entitled to nominal damages.

Mr Goldsmith for Geogas made one final logically con-

made one final, logically convincing point.

According to the arbitrators

findings there was no reason for Geogas to know it was nec-essary for Transno to purchase the cargo. It simply knew Trammo was a trader.
In assessing the value of the benefit of the opportunity in those circumstances it was therefore necessary to take into account the fact that Trammo need not have purchased the cargo at all and chased the cargo at all, and that if it had not done so it

would have lost nothing.

The loss Trammo actually suffered resulted from the fact that it had to purchase the cargo in order to perform its contract with Sonatrach and its resales to receivers; but as the arbitrators found, Geogas

knew of none of those facts.
The damages which the arbitrators awarded to Trammo were irrecoverable at law and the award must be set aside. For Trammo: Peter Gross (Ince

& Co)
For Geogas: Peter Goldsmith
QC (Middleton Lewis Lawrence

Rachel Davies

Mobile



People on the move. Relying on us for communication. From mobile radios to car phones; from pocket-sized message pagers to sophisticated, integrated systems. All supported by unrivalled training and customer care. With offices in virtually every country, we're blending the strengths of a global organisation with the benefits of local knowledge and understanding. If you'd like to know more, talk to us at: Philips, Telecom Division PO Box 24 St Andrews Road Cambridge CB4 1DP Tel 0223 61222 Fax 0223 322770 Tlx 81166 PHITEL G



in association with the sponsored by

A BUSINESS INTERNATIONAL CONFERENCE

Frankfurter Allgemeine Zeitung



AFTER THE WALL

The New German Business Realities

OF TISHETHING OF EROYAL, LONDON MAY 4, 1990 Business International, a member of The Economist Group, in association with the Frankfurter Aligemeine Zeitung, Germany's leading quality newspaper, is organizing a major conference in London on May 4, 1990 to evaluate the business implications of a

> For a generation brought up in the stability of post-wer Europe, it is difficult to grasp how radically and profoundly different the business environment of the 90s will be. At the heart of these changes is the new reality of a united Germany. This new Germany raises questions for Nato, the European Community and specifically, the European strategies of international companies.

> This conference will take a business view of the process and politics of unification, of the currency and economic issues, of the impact on Western European integration and of the new business opportunities and threats flowing from a single German market. To help you achieve strategic focus in the new era German market we have brought together a distinguished panel of speakers, including:

The Rt. Hon. Denie Healey, CH, MDE, MP. Albrecht Graf Metuschka, Chairman, Matusch en Cerr. Bonn Corre Prof. Dr. sc. Günler Hötzold, Karl-Harx-Universität

BusinessInternational

Registration Form AFTER THE WALL: The New German Business Realties The Café Royal, London, W1R 65L May 4, 1990	Payment The registration tea for this conference is £375 (plus VAT) 2nd perticipant £250 (plus VAT) Number of attendees
Please register me for this conference	(Physible to Business International Ltd)
Name	Please charge 2 to my D American Spress D Visa Card D Eurocard No.
Position	
Сутрату	
Address	Equity dataSignature
Taiophone Fer	☐ Please send me an invoice ☐ Please send me further details of a major study emitted "The German Revolution of '89: New Business Realities in
Please return to: Julie, Mart, The Conference Unit Business International Ltd.40 Duke Street, London W1A 1DW. Tel: (44.71), 483 6711; Farc. (44.71), 491, 2107; Telex: 286353	Central and Eastern Europe" that Susiness International is currently researching for publication in June.
A member of The Economist Group. Registered in London Number	*1421857. Registered Office 25 St. James's Street, London SW1A IHG

		·		
	i. I			
<u> </u>	J3	-	C	
	i B	45000		KS& (
BBC 1	: 3		MOD	
	ł. I			TIES
54.15.055				14 3 3
BUDGET CALL		•		
	ł 3	- Table 1988		
Characallanta Caracala 1 San				
Chancellor's Speech Live				
0898 900 050	, .	-		2 / W W / L
Calculation Community	∤ · ⁻Щ			
Latest Budget Summary	1. 6	عتينان:		r (1)
0898 900 051	·- 7	PHILIP.		
ון זכט טטכ סכטט	1 1			
(38p per minute)	. 5	المجرجيع .		
Cob her rullinges		7 11 12 12 1	F	
	i		400	
		·		

(C.S.	FREE COPY
22	TIME OUR
	The Traders Magazine: All about using
	Charts and computer applications to help you
	DTOLER in the markets.
	We will send you a sample magazine issue
	and a fell for \$70.95 (inclining \$7) sir sold for
	one year 12 issue price). If you don't like the
	sample just return the statement marked
	"cancel" and owe nothing. The sample issue is
	YOUR to keep. 800 832-4642
	206 938-0570
	USA phone City Service to once per your. Likely have
	Might to: Phone place 0-0 made for total dalling.
	STOCKS & COMMODITIES MAGAZING
	3517 S.W. Alaska St.
	ON 1 O' 11' WEEKS OF O
3	Seattle, WA 98126 LISA

Allo! Je m'abonne

BUSINESS SOFTWARE

100

Building roads in Malawi

KIER INTERNATIONAL, part of Beazer National Construc-tion, has started work on a 114m contract to build 80km of road in Malawi, central Africa. The road which links the major towns of Lilongwe and Salima is required by the Republic of Malawi Ministry of Works and is funded by the UKGovernment's Overseas Development Administration.

* ★ ★
The New Zealand Government, represented by Works Consul-tancy Services, Wellington, has awarded a contract worth AWARDER & CONTRACT WORTH ALESM TO A joint venture partnership between HADEN YOUNG and TROLLOPR & COLIS (CITY). The contract is for the upgrading of the engineering services and refurbishment of New Zenbard Fiber. meeting services and renurosa-ment of "New Zealand House" in the Haymarket, London. The project is expected to be com-pleted in June 1992.

WALLIS WESTERN, part of Beazer's regional construction division, has secured a £10.9m contract to design and con-struct an office village on the Southern Lakes area of the Astec West Park, Bristol, for Arlington Business Park.

* * * *

ROBERT WATSON & CO
(CONSTRUCTION ENGINEERS) is to supply and erect rians) is to supply aim erect structural steelwork for The Triangle, a nine-storey Docklands office building. The contract, valued at £1.48m, was placed by the management contractor, Alfred McAlpine. Robert Watson is also involved in the propping of the perimeter sheet piling to be installed in the two-level base-

Fabrication is already in progress, and erection begins in April with practical completion in September.

JOHN SISK AND SON has won a 25m contract to build an office complex behind the retained facade of a 19th century listed building. Work has started on a 4,144 sq metre con-struction which is being under-taken on behalf of Grosvenor Square Properties. The five sto-rey building, located on the Hammersmith Road, London, is due to be completed in March 1991. Existing windows and timber beams will be retained and overhauled wherever possible and the art deco shop fronts are to be removed, rectored and refixed. ored and refixed.

CONTRACTS

Philippines power supplies

DALE ELECTRIC OF GREAT

Dale has worked in close collaboration with C. Itoh, the Electric International, the UK

Japanese trading company, to power systems group, has signed an agreement in Manila to supply the National Power Corporation of the Philippines with diesel powered generating sets, including barge mounted power stations, worth £20.2m.

Japanese trading company, to The sets will be supplied as part of a multi-stage project and used to provide or strengthen electric power supply on up to 30 islands as part of the country's small islands

Dale's agreement starts with a contract already signed for 78 a contract already signed for 78 generating sets, ancillary equipment, training and supervision. Other stages include orders for further 150 kW, 250kW and 500kW generating sets and "fast power" floating power stations of 2 MW each.

London Underground servicing project

For the first time ever, London at the Heathrow and South and resources to increase the Underground has awarded an Kensington stations and nine reliability of the 275 London Underground has awarded an underground has awarded an escalator servicing contract to an outside company. OTIS ELEVATOR, the lift and escalator manufacturer and specialist maintenance company.

The three-year contract is for the maintenance contract is for the maintenance contract.

the Northern Line - and is effective immediately. effective immediately.

The agreement will strengthen the longstanding partnership between LUL and its main escalator supplier. Otis, and will enable both companies to share expertise, ideas the maintenance, repair, cleaning and lubrication of a total of 30 escalators located

stations on the southern half of Underground escalators, which are used by over 2.7m passengers every working day.

Apart from an initial instalhation servicing period carried out by the escalator installers, all maintenance work to date has been carried out by LUL staff.

Major Manchester Airport expansion

ALFRED McALPINE CONSTRUCTION has been awarded a 210m Phase 1 contract at Manchester Airport to construct the main taxiway and apron stand area for the new Terminal 2 complex.

water drainage and services.

The apron layout is planned to have two rows of aircraft stands, one either side of the central taxiway. Phase 1 stands

tion of 128,500 sq metre of con-crete aircraft pavement and all Boeing 747/400s, six MD11s and associated earthworks, surface three A320s. Alternatively three A320s. Alternatively, each B747 stand can be used by two medium-sized aircraft. The contract is sheduled for com-

Conversion of Glasgow's Athenaeum

HENRY BOOT SCOTLAND has won a variety of contracts worth in excess of £20m. They include: A £7.3m office conversion of one of Glasgow's major buildings, Sir J. J. Burnet's Athenaeum (1886). This is to be converted into offices for Grossmann and the converted into offices for Grossmann. venor Buchanan Properties

and Kelgrove Developments (Scotland). The Grade 'A' listed facade the former home of the

A 17m office scheme at Toll-cross, Edinburgh, which will provide office accommodation on six upper floors with retail space on ground floor for Rav-A \$2m two-storey residential

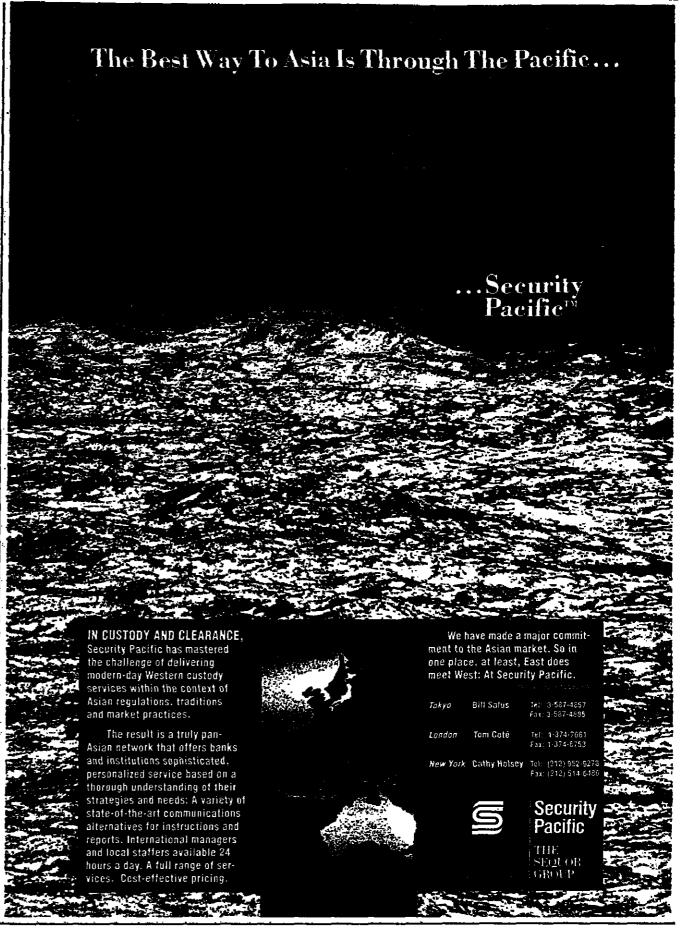
unit and single-storey unit for day care provision of the elderly is to be constructed in Strathbungo for Strathclyde Royal Scottish Academy of Music and Drama is to be pre-served intact whilst the rede-veloped interior will house

62,000 sq ft of lettable office accommodation. Regional Council.

Henry Boot is to undertake the refurbishment of four tenement blocks in Garthamlock, Glasgow, for Glasgow District Council and a £1.4m design and build contract at Stracathro is being undertaken for the Scot-



An architect's impression of three neo-gethic office blocks at Sowton industrial estate, Exeter, being built by E. THOMAS CONSTRUCTION, a division of Mowlem Regional Construction, for Landowne Real Estate under a 23.8m contract. The two-storey blocks will provide 60,000 sq ft floor space. Work starts this month for completion in February 1991. Thomas has won other orders in the West Country totalling almost £10m.





oas avo.a a commitment to quality, reliability and innovation

LONG TERM CREDIT **CORPORATE FINANCE INVESTMENT BANKING ASSET MANAGEMENT** LIFE ASSURANCE **COMMERCIAL BANKING**

Internationally the IMI Group provides investment banking and asset management services through the following main foreign subsidiaries:

IMI Securities Corp (USA) (member of the New York Stock Exchange) IMI Capital Markets (UK) Ltd (member of the Securities Association)

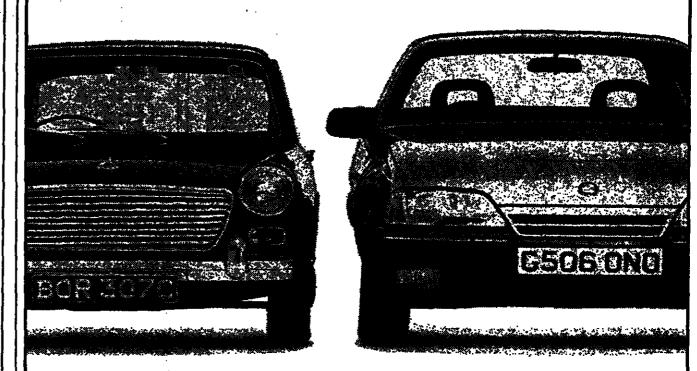
IMI Securities Ltd (UK) (member of the International Stock Exchange)

IMI Bank A.G. (member of the Frankfurt Stock Exchange)

IMI Capital Markets (Lux) SA (member of the Luxembourg Stock Exchange)

Consolidated Highlights at March 31, 1989:	(Dollars in Millions, 1 U.S. S	- 1,368,130 Lire)
OUTSTANDING LOANS		23,934
ASSETS UNDER MANAGEMENT		14,821
SHAREHOLDERS' EQUITY		3,312
ALLOWANCES		612
NET INCOME		362

Free.The A-Z of fleet finance.



(Or should we say C-G).

Back in 1965 we launched our first rent-a-car fleet with C registration Morris 1100's.

Twenty four years (and a whole alphabet) on, Avis is now a household name with a fleet of more than 80,000

Now we would like to share some of the wealth of experience we've gained, and it can be yours absolutely free. 'Finance Options for your Company Cars' provides important information on the various methods of funding company fleets, in one handy document. Its guidelines will help you decide on the most efficient way to run your cars in terms of both cost and administration.

So, whatever the size of your company, and whatever your needs, you'll find twenty four years of Avis experience

For your free copy of 'Finance Options' complete and return the coupon now,

Variet	
	CONTRACT CONTRACT
baltion:	
	
ddress	—— X ***********
Postcode	
el No	- AVIS Burner
lumber of cars	CALCULATION.

TECHNOLOGY

David Fishlock asks whether Genentech will lose independence after Roche's impending purchase

The right mix of pharmaceuticals

enentech pioneered the idea of the new biotechnology firm. In 1977 it sought to enetic engineering exploit genetic engineering — using micro-organisms to make complex biological substances despite academic insistence that not enough research had been carried out. Its efforts inspired hundreds of competi-tors during the 1980s, but Genentech held on to its technical lead.

Next month Hoffmann-La Roche, the Swiss chemicals group, hopes to acquire 60 per cent of Generatech for \$2.1bn (£1.3), With sales of \$400m last year, Genentech is the world's biggest biotechnology group in terms of revenues. But is this the end of Genentech as we know it?

Roche, which employs more than 47,000 people, had sales in 1988 of £4bn, 40 per cent from pharmaceuticals and the balance spread among vitamins, flavours, fine chemicals and diagnostics. Other promising new biotechnology firms which ran short of cash found themselves swallowed by multina-tionals, among them Hybritech, acquired by Eli Lilley, and more recently Gen-Probe, acquired by Chugai. Roche did not set out to

acquire Genentech. stresses Professor Jürgen Drews, board member responsible for Roche's research and development. As chairman of the research board, he says the purchase was not part of Roche's research policy. Roche has placed research contracts with several other biotechnol-

ogy companies. It was Genentech that approached Roche, seeking financial capital to fund new developments. It also wante assurance that Roche would not restructure the business. Genentech's way of life - a remarkable degree of scientific freedom - has brought four important genetically engineered drugs to the market, including Activase, a clot-dissolving drug for treating heart attacks. Drews sees the discovment for a small start-up in a big league.

He says Genentech was aware of Roche's corporate policy for exploiting biotechnology. Roche's research into the genetic engineering of colony stimulating factors, chemical agents in the body, could lead to two powerful new drugs for regulating the body's immune system, in addition to Rofer-on-A, another of these natural substances. Roche believes it can genetically engineer antibiotics to improve their efficiency and overcome problems of drug resistance developing in the infective agent. Fritz Gerber, Roche's chair-

man, was first approached last October by Robert Swanson, Genentech's founder. Gerber despatched Drews to California to investigate Genentech's science. Drews says he found "a good pipeline of new products." He admits that as recently as five years ago he did not believe the new hiotechnolo-gles would yield new pharma-

dominant role in this game." One of its directors, Herbert Boyer, shared a Nobel Prize for Boyer, snared a Nova Files inventing genetic engineering. "It has a fantastic group of peo-ple," Drews says. "They really understand molecular biology and they can communicate. Working for Generatech as a scientist or a clinician "means the same as being a member of a famous medical school." Drews, who left Sandoz in Basic five years ago because be believed it was taking too short-term a view of research and development, believes Wall Street has undervalued what Genentech has achieved with

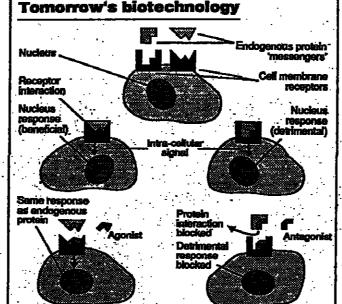
hlotechnology.
Armin Kessler, Roche's newly appointed chief operat-ing officer, believes a factor Roche was its scientific institutes and their independence. About 20 years ago, when Roche was flush with profits from its tranquiliser discoveries, it ploughed money into two institutes devoted to basic



■ Genentech has a fantastic group of people. They really understand molecular biology and they can communicate

- Jürgen Drews

ceutical products. He thought The first, launched in 1968, they would be simply part of the process by which drugs were developed. was the Roche Institute of Molecular Biology in Nutley, New Jersey. Then in 1971 it Drews now believes that the new biotechnologies have already yielded 50-100 potential new drugs worldwide, "and Genentech does seem to play a opened the Roche Institute of Immunology in Basie. It was an investment in the belief that this must eventually pay off for medicine, says Drews.



The agonists and antagonists are believed to interact in

Each has managed to attract some of the world's leading tech to Roche as a potentially academics in the basic biological sciences. One reason for this, says Drews, "is they have more freedom than academics." The Basle institute is trying to understand, at the molecular level, immune reac-tions regulating the prolifera-tion and differentiation of cells of the body's immune system. Its scientists are not Roche employees but recruited as institute "members" — about 50 of them — purely for their scientific ideas

The ideas they pursue are backed or rejected by peer review within the institute, without reference to any company requirement. The budget - SFr40m (£16m) in Basle - is independent of Roche's R&D budget. Most members stay for only a few years and then return to academe. But a few such as Michael Steinmetz,
 Drews's head of molecular biology - develop a taste for industrial R&D.

Not everyone at Roche appreciates the work of the institutes, says Kessler, a chemical engineer who until recently was running Roche's pharmaceuticals business. But Kessler is convinced the insti-tutes attract a valuable type of scientist the company would never otherwise attract. He points to John Stocker, a mem-ber who returned to Australia and became director of its Commonwealth Scientific and Industrial Research Organisa-

Kessler believes that two fac-

sympathetic patron of its inde-pendent way of working: its research institutes and its highly decentralised manage-

ment system.
Roche, which set up its first research laboratory in Basle in 1913, is a company where very different research cultures can flourish, says Drews. He cites the quite different manage ment styles practised by its four main research centres in Basle, Nutley, England and

Japan. In Genentech he found "a very delicate mixture of abilities." He believes that a hostile takeover would simply put them to flight.

But will Genentech remain

independent? Kessler says he is convinced that independence is the secret of its productivity in drug innovation. He believes the future of pharmaceuticals lies with chemicals that are orally active (can be taken by mouth). Biotechnology was once seen as good only complex chemicals that had to be injected, like vaccines. But biotechnology's latest tech-niques are honing down the molecule to the part with the biological action.

Where he believes Roche will expect Generatech to conform with corporate policy is in launching new drugs. If Genen-tech continues to grow at the rate of the past decade it will rival its parent in the next decade. "And that will be a lovely problem to have," says

Spot the crack by remote control

CRACKS in industrial plant and structures on the other side of the world can be detected and located using accustic emission and teler etry techniques developed by Fulmer Research, the commercial research, the commercial research company of the institute of Physics. The technique enables the integrity of a steel pressure vessel in a chemical or

nuclear plant, however remote, to be monitored from the Fulmer laboratory in Berkshire, England.

Transducers and filters identify the acoustic emissions produced by high veloc-ity microtractures when stress, corrosion or tatigue

cracks occur in welded joints. Up to eight transducers on a structure feed signals constantly to an on-site analyser This stores data at the appro-

priate frequencies.
The analyser memory is interrogated remotely by telephone/modem, approximately once a week and data transonce-a wound and wound mount ferred to the laboratory for analysis. The data shows the state and location of any developing crack, enabling remedial action to be taken before the crack becomes

Train conductor's magnetic power

JAPAN'S first undergro railway system powered by superconducting magnets will go into service in Osaka today, writes Della Bradshaw. The train is powered by

a line train is powered by a line train and repel it over a metal bar running down the centre of the track.

The trein will travel Station on the city's urban loop, or circle line, and the site of the international Garden and Greenery Expo, ehich opens on Áp

The journey of 5.2 kilo-metres will take nine minute including stops at three stations en route.

Study into a very fishy business

SURVIVAL rates for fish eggs may be indicative of global warming. Fish eggs are extremely sensitive to temper ature, and with only a fraction of the thousands of a species' eggs surviving under existing conditions scientists are concerned about the possible impact of global warming on

survival rates. The Natural Environment Research Council (NERC), the Dunstaffnege Marine Lab-oratory at Oben, Scotland and the Inter-Universities Marine Research Institute of Dundee, St Andrews and Stirling, have started a joint study to see how warming might affect survival rates.

Fish are an important par of the food chain and a growth or depletion of fish stocks could have serious tions for the whole marine ecosystem, as well as affecting one of man's main sources of food.

Colour as a communicator

COLOURED pictures may be preferable to words in the black and while world of com puters, especially where the subject is wild flowers, or anything else that would ben-efft from being displayed as a picture. Richard Pankhurst, of the

Botany Department of the Nat-ural History Museum in London, has developed a colour program for any IBM compati-ble personal computer.

nkhurst's program will help to identify bloogical organisms, with coloured pictures as an alternative to words. The program has a table of all biological categories under consideration and their component parts, or characters.

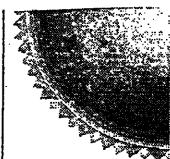
The program presents a menu of the character state for example whether the edge of a leaf is smooth or rough, as monochrome or colour drawings, or in words.

Composites' test of strength

ULTRA-high performance PBZ polymers are starting to be produced from the first demonstration plant in Menio Park, California. Tensile strengths and still

nesses of PBZ (polybenzoblsoxazole) are higher than for other polymers, higher than steel and other metals and comparable with carbon Commtech, the technology development partnership at Menio Park, California which owns the patents covering

PBZ technology. PBZ was developed after 19 years of research spon-



WORTH WATCHING Lynton McLain

Park. Possible uses of the polymers, with resins, include the production of new com-

Ship sails its own course

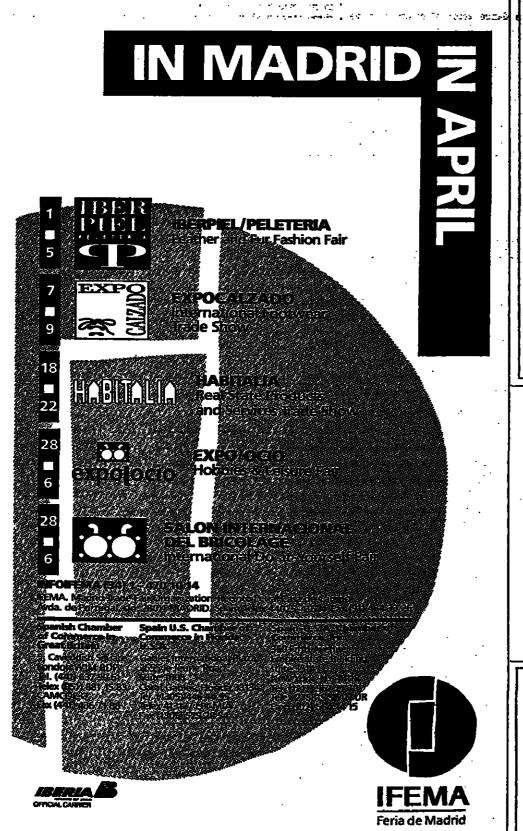
The US is attempting to leapfrog over the Japanese in the development of superconductor magnetohydrodynamics (MHD), which, with no moving parts, can power ships.

A full-scale supercondu MHD power unit is to be built and tested at the US Argonne National Laboratory in Illinois. The Japanese Foundation for Shipbuilding Advancemen MHD powered ship sa this year. Argonne believ the prototype will be a small ship, with only small-scale

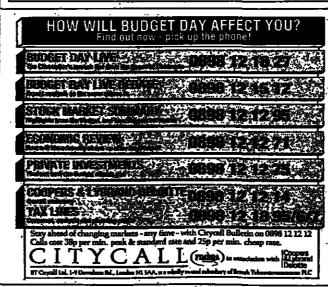
MHD eliminates all movin parts of the drive system, including propellers and motors. The superconduction magnet — which has almost no electrical resistance force on sea water passing through a duct in the magni The resulting electromagneti force drives the water out of the stern, creating forward

Argonne is to use an exist-ing \$12m, 13-lest diameter, 21-feet long dipole supercon-ducting magnet, built for ear-lier research. This will be coupled to a 4-feet diameter, 60-feet long water loop.

Confactor Palmer Research: UK, 6753 682181. Japan Association for the htternetional Garden and Greenery Exper Japan, 06 336 8565. Denstatings Marine Laboratory: UK, 0531 62244. Natural History Meseum: UK, 01 938 9123. Commisch htternetionel: US, 418 328 9190. Argome Retional Laboratory: US, 312 972 2006.







THE NORDIC FINANCIAL & INVESTMENT CENTRES

25th April 1990 For a full editorial synopsis and advertisement details, pi

The Financial Times proposes to publish this survey on:

Gillian King or Chris Schann on 01-873 4823 or 3428

or write to them at: Number One

London SE1 9HL

FINANCIAL TIMES

THE BUDGET: PROBLEM OR OPPORTUNITY? WHATEVER HE SAYS, **YOU NEED FINANC** who will offer impartial advice on your financial

future, call the HOTLINE number, or complete the coupon. No salesman will call.

CALL **01-200 3000** or COMPLETE THE COUPON Send the coupes to IFA Promotion Limited,

Calindeep Land, Landen NW9 68W. FT 6



ITALY The Financial Times proposes to publish a Survey on the above on

17th April 1990 For a full editorial

synopsis and advertisement details,

please contact: Henry Krzymuski on 01-873 3699 or Lindsay Sheppard on 01-873 3225

or write to them at: Number One, Southwark Bridge London SE1 9HL.

or contact in Italy:

Dr. Daniele Blei Studio Blei S.p.a.
Via degli Arcimboldi 5
20123 Milano, Italy Tel: 890 0318, Fax: 877 806, Telex: 334186

FINANCIAL TIMES

MAJOR MOVES ON POUND



Putures Pager which regularly updates ipot currencies, financials, futures and indices 24 hours a day. 01-8959400

for details and a free trail.

Views of the literary and intimate portrait

William Packer on the work of photographer Julia Margaret Cameron and painter Avigdor Arikha

ulia Margaret Cameron is the most widely cele-brated and accessible of the great Victorian pho-tographers. She does not stand especially high as one of the great technical pioneers, nor was she the first to offer up through the new-fangled medium a picture and record of the Victorian world - at once so strange to our eyes, and so

WORTH WATCHING

Ynten Metain

BRI WARTEN of the state of th

Mark of the State of the State

Ship sails it

SWn course

THE COLUMN TO SERVICE AND ADDRESS OF THE PROPERTY OF THE PROPE

A 14 15 20 2 - Alma

ses practing ata

American resolutions

THE LEGISLAND THE

Manufa to take a Pilo And the second second

pa 109, 713 20 20

See that the engine

Marie an the Court little &

Action of property ACTION TO BE TOURSE

Sept at more the

Section 2 1 1 Education

danie ze z men zm

And tremit of carrie

SPECIE OF YES THE BEEN

NA ATEM STORESTEE

eg fine berite

THE PARTY OF THE PARTY

me eggenerer feitert

sengred to a selection

EUT E DE LES CONTROL DE LES CONTROL

Aleman . .

But she was the first and remains, perhaps, the greatest of the art photographers, who saw themselves as something rather more than scientists. technicians and reporters. As a sol-disant artist seeking to exploit the full expressive potential of photography, Mrs. Cameron was conspicuous among those who consciously aspired to achieve and even surpass in their work the condition of painting, which some already considered redundant by the very invention of the

But, for all its obvious aspirations, Mrs Cameron's particular achievement has for the most part been considered only within the context and conven-tions of early photography. She was the very type of the well-off smateur of her time— serious, industrious, ambitious, high-minded, encouraged by her family and circle of friends, whom she regularly dragooned into service as her models. The arty-literary Cameron set, with Tennyson its presiding genius, is well documented, but rather more as social and cultural

Colnaghi, a fascinating loan exhibition in which The Royal Photographic Society has col-laborated (14 Old Bond Street WI: until April 12), goes a long way towards correcting the emphasis. The determining principle has been to show her work in the light of its pictorial and literary sources, not as mere general charade and tablean but as particular refer-

aura of gentle and sometimes faintly ludicrous over-statement and sentimentality, with all the dressing up and posing in flowing robes and suits of armour that for so long has characterised all but her most



"The Parting of Lancelot and Guinevere," 1874, by Julia Margaret Cameron; and "The Letter," 1989, by Avigdor Arikha

straight-forward portraits, rather falls away. Instead of the mildly eccentric and indulged matron, suddenly we see her as a central and significant figure of the romantic symbolism of the later 19th century, a late pre-Raphaelite consciously deriving pose and composition, here from engravings after the Italian masters or after Rembrandt, there from Reynolds' Mrs Siddons as the Tragic Muse. As to her contemporaries, we

find her working in direct relation to Millais, Rossetti, Leighton, Holman Hunt and G.F.Watts, but not at all as acolyte, rather developing and extending their ideas through the transforming lens of her own pictorial medium and imagination. Their portraits are all but exactly alike, and yet for us, at this distance, she it is rather than Watts who has now fixed in our minds the

definitive images of Carlyle and Tennyson. And if she should still seem resolutely literary in her pictorial quality, we should remember the circle in which she moved, and that a literary and indeed poetical movement. She died in 1879, just too soon to know of Whistler at his most radical, or the young Sickert, or to be influenced by the Japanese taste, or to respond at all to the currency of French experiment in neithing from Deces to in painting, from Degas to Monet. Who knows what course she might have taken, for she was artist enough.

A hundred years on or so, and we have at the Marlborough a show of recent paintings and a selection of drawings by the Israeli painter, Avigdor Arikha (6 Albemarie Street WI: until April 14). Without pressing the comparison too far, Arikha is, like Mrs Cameron, an artist both isolated and conventional, at times both set below and above his true standing. He is a good if unexceptional painter, a delicate and sensitive observer of still-life and the figure, less sure with the nude but at his very best with the intimate portrait. And yet at 61 he has achieved an international eminence as a painter of the directly observed image second only to that of Lucien Frend, and perhaps more extensive.

I say unexceptional advisedly, not in any sense to put him down but only to make the point that he has many peers in his generation, in this country at least, but who for all sorts of reasons are with the state of the state of the state of the celebrity — Greenham, Blamey, Uglow, Symons, Hackadder, George, Tindle, as

all comes down to critical support and circumstance, and keeping your nerve. Where Arikha has had the luck, in dividing his time largely between Jerusalem and New fish from a comparatively small pool and different enough, through the long periods of avant-garde indulgence, to be noticed. In London he might merely have been respected.

That said, his particular qualities as painter and draughtsman must be admitted. His touch is light, the paint thin and loose and feathered across the surface, qualities matched in the drawings by a soft, scurrying line. There are times, perhaps, when the images are a shade too graphic and self-conscious in arrangement, cropped dramatically and artificially.

saved by the working of the paint and the integral interest of the image. The best of the still-lifes are always small and set up with the utmost simplicity, objects presented matter-of-fact: a parcel, a sweet-corn, a hag of potatoes, a bunch of grapes.

He is the natural intimiste, his strength his direct, natural and apparently swift respon to immediate detail and incident, and the long-known incident, and the long-known presence of friend and family. With the paintings of the mude, which tend to be larger and more obviously ambitious, these qualities are lost and awkwardnesses creep in, the model gawky and often awkward in the pose, the handling more mannered and self-conscious. It is the small, fresh study of Arme, his wife fresh study of Anne, his wife reading a letter, that in its quiet and undemonstrative

A weekend of 20th century music

The BBC Symphony Orchestra's Festival Hall programme on Friday (also broadcast on Radio 3) spanned the full width of British music in the 20th century, from Elgar's Second Symphony to a new piece by Birtwistle, with Hugh Wood's Scenes from Comus lodged somewhere in between. It was fascinating to hear Wood's Milton study from 1965 again, to relish its passionate discourse and highly charged

vocal writing (how close to late Tippett are some of its sounds!) and to be reminded that that the neo-romanticism of his recent works is no modish trend, but a fundamental thread in his development that Andrew Davis is increas-

ingly impressive in such works; the tumultuous dance section (with the BBC Symphony at its most alert) pro-vided the work's point of emotional release, while the soloists (Alison Hagley and Howard Haskin) were always enclosed in webs of intriguing

The Birtwistle was Machaut a ma mânière, a 10-minute piece completed in 1988 and receiving its first British per-formance, which expands his long-standing fascination with Machant's Hoquetus David to orchestral proportions. The arrangements of the double hocket he has made in the past come full circle here and the latest is preceded by a similar treatment of the motet O livoris feritas to create a strangely jointed piece, identifiably Birtwistle growls), but

lacking a true centre. He has likened it to Picasso's reworkings of Delacroix and Velasquez, seizing upon details of the original to project into a new space and perspective, yet it does not seem to be a Stravinskyan re-creation, but rather a close stylistic homage. There is perhaps more of Machaut than of any other composer buried beneath the surface of Birtwistle's technique, and for that reason little tension between "old" and "new" here; instead a journey across familiar territory in the company of musical material that seems quite to belong.

Andrew Clements

In the Queen Elizabeth Hall on Friday, Oliver Knussen con-ducted the London Sinfonietta in his own Second Symphony, three other past works by cur-rent present composers, and Mark-Anthony Turnage's recent On All Fours. Like many another Turnage pace, On All Fours is peculiarly dis-quieting, even baleful; not tru-culant, this time, but and cer-tainly subversive. Its main movements, separated by refrains, mimic the dances of an 18th-century suite - Allemande, Gigue, Sarabande --but in distended and fractured metres and with mournful melodic lines delivered in agonising hyper-vibrato by 'cello or fingelhorn. Extremely interesting; deeply unfriendly.

Jonathan Lloyd's early Cantique displayed his "fascination"

with purely orchestral sounds" (vividiy realised here), some of them almost in free-fall. Alex-

ander Goehr's Sinfonia of 1980 is one of those works where he sought, after a long devotion to serialism, to reinstate quasitonal harmony and quasi-classical manners. Often reminiscent of the wind-heavy raw-ness cultivated by pre- and post-war German socialists, it gives the impression that assigning any particular musi-cal line to a particular instru-ment has been a matter of arbi-trary decision — but letermined not to flatter any-

Knussen's Symphony and George Benjamin's 1981 A
Mind of Winter are familiar
and admired, but here they
served above all to introduce a fascinating young American soprano. The voice is true and soprand. The voice is true and appealing, used with clean intelligence; though not large, it is much larger than you would guess from Lisa Saffer's very petite person and it seems very pense person and it seems to reach sweetly into the stratosphere without any upper limit. The prospect of hearing her at the ENO in Berg's Lulu is full of promise.

David Murray

Also on Friday it was the turn of Krzysztof Penderecki to conduct a concert of his own music at the Barbican. The composer is one of the two artistic directors of the Cracow Philharmonic and the opportu-nity is being taken on the orchestra's tour to present the Polish musicians in new music from their own country.

The main work on the programme was Penderecki's Second Symphony, which dates from 1980. It is a short and consistent piece, written in the neo-romantic idlom with which the composer was experimenting at that time. In fact the score offers little sign that he had anything original to say in this 19th-century language and contents itself with reproduc-ing a mood of brooding roman-ticism. That it holds the lis-tener to the end is thanks to its successful use of grand ges-tures taken from the romantic symphony writer's handbook, especially the chapters on Bruckner and Mahler.

Within a few years Pender-ecki had moved on. The Viola Concerto of 1983 leaves the security of a tried and tested musical style and experiments with a variety of effects, to less predictable results. As an integral work, the con-

certo hangs together far less well. But from time to time it instrumental timbres that seem to wander into the strange and refined soundcadenzas make the concerto a grateful piece for the soloist, tho was here the expressive Grigory Zhyslin.

Finally, the Passacaglia of 1988 takes the story one chapter further: a barren selection of musical ideas, which are skilfully worked into a more colourful piece than one would initially have thought possible. initially have thought possible. It seems Penderecki is moving back into the central stream of post-war European music, a journey on which the accom-plished Cracow players will no doubt give him every support.

Richard Fairman



Kenneth Greve and Jacob Sparso: King Arthur and Merlin

IMPORTANT ANNOUNCEMENT

FOR BUSINESS BOOK READERS AND

The FT Review

of Business Books

WILL BE LAUNCHED AS A SPECIAL

TABLOID SUPPLEMENT WITHIN THE

FINANCIAL TIMES ON FRIDAY 30 MARCH

ORDER YOUR COPY NOW!

THIS REPLACES THE BUSINESS BOOK REPORT

PREVIOUSLY SCHEDULED FOR

3 MARCH IN THE WEEKEND F.T.

FOR FULL DETAILS PLEASE TELEPHONE

CATRIONA JAMIESON ON 01-407 5758

ADVERTISERS

Camelot

celebrating its 20th birthday by stag-ing a new evening-long spectacle, Camelot. The plot is based on Arthu-Malory; the choreography is by Stuart Sebastian, artistic director of the Day-ten Ballet in Ohio. The location for Eriday's first performance was Brus-sels' Cirque Royal, whose large stage juts into a horse-shoe auditorium it has been a favoured locale for Béjart performances. The designers Roger Bernard and Joelle Roustan have pro-vided an effective black setting of gigantic doors on an inner stage which leads down to the dance area, equally inky, against whose darkness the costumes — simple, well-designed — and the action are clearly placed. The score is skilfully chosen from Sibelius's first symphony and various

of his tone poems.

Sebastian's theme, in essence that of the *Morte d'Arthur*, is stated in the of the Morte d'Arthur, is stated in the opening moment which sees the King surrounded by those agents — Guinevere, Lancelot, Viviane, Merlin, Mordred, Morgan le Pay — who will bring about his death. A first act tells of Arthur's triumphs, winning Guinevere, uniting his kingdom, sustained by Excalibur's power. The second offers the reverse of this heroic tale, with every good element turned tale, with every good element turned

The Royal Ballet of Flanders is to evil it is the fascination of this by a dance actor of communicative contrast which holds such hopes for the evening hopes which, also, Sebas-tian only partially rediscs. In recounting the legend (and

because of the Sibelius music I was reminded of David Bintley's success in exploring bardic narrative in his Swan of Tuonela) Sebastian has opted for an academic language of considerfor an academic language of considerable innocence. In other circumstances – in a short plotless work – such directness of style could bring rewards. But as a narrative means, class-room steps leave much to be desired. So Arthur and his knights dash about offering classical predictabilities to each other, valour counted abilities to each other, valour equated with technical prowess. The court ladies trip and tittup like automata, and love and passion have a nicely sanitised air. This is romance reduced to the level of an animated cartoon, dance according to Disney, and step-for-note ingenuities do not accord well with the tragedy of the once and future king. Outlines of character and action have been neatly drawn, but colouring is rudimentary, the palette limited. And the elements of comedy a diminutive knight as clown; gossiping court ladies — have a searing cuteness: Disney would probably have

Had the role of Arthur been taken

power (it calls for a Jean Guizerix or a Mukhamedov) then the drama might have seemed more urgent. The young Danish dancer Kenneth Greve is tall. blonde, handsome, and his technique is sure, but his reading is as yet too passive, too decorous. Things keep on happening to him without firing any response: even his love for Guinevere, the graceful Bernice Coppleters, is pallid. In matter of feeling it is the Mordred of Matthew Madsen and Jacob Sparso's Merlin who raise the emotional temperature, as do the two villainesses (an over-egged pudding when we remember Guinevere's misdemeanours, too) well taken by Dawn Fay as Morgan and Laura Radda as Viviane. Amid an expanse of choreo-graphic politaness the scane in which Viviane destroys Merlin's power stands out by its energy as the enchantress enslaves and blinds the magician, and Sebastian gets to grips with the tensions of his tale.

The Flanders dancers work hard and well; the troupe looks polished, secure. The disappointment about this 20th anniversary is that they should be performing in what is more vacuum than vehicle.

Clement Crisp

March 16-22

ARTS GUIDE

OPERA AND BALLET

Royal Opera, Covent Garden: Luciano Pevarotti returns to Covent Garden in the John Copley production of L'elisir d'amore, conducted by Marcello Panni, with Daniela Mazzucato, Rolando Panerai and Ingvar Wixell. Also in repertory: the new production of Strauss's *Elektra* and final performances of Otello.

Raglish National Opera, Coli-seum, David Pountney's witty, sharp-edged production of Proko-fiey's *The Gambler* is revived with Graham Clark once again in the leading role. Also in reper tory: Pountney's polemical (and problematic) Truviata produc-

Théstre des Champs Elysées.

Borodine's Le Prince Igor in a new production by Warsaw's Teatr Wielki (47303637). Opera Counique. Mozart's Mossenso performed by the Orchestra d'Auvergne conducted by Jean-Jacques Kantorow (42600499). Paris Opera. Bejart and the Lausanne Ballet bring Autour du Ring created by Béjart to Wagner's music, to the Paiais Garnier (47425371).

Cirque Royal. The Royal Flanders Ballet in Consolot chorsographed by Stuart Sebastian.

Testro Alla Seala. Riccardo Muti conducta Mozari's La Clementa di Tito, with Ann Murray, Cheryl Studer, Gösta Winbergh and Susanne Mentrer and Wolfgang Sawalliach conducts Wagner's Die Meistersinger, sung in German, with a fine cast, but fussy production by Nikolaus Lehnhoff

Teatro dell'Opera. The theatre is back on form after a series of strikes, with Massenet's Werther. (48.17.55). Teatro Brancaccio. Elisabetta Terabust dancing in two works by Roland Petti, joined by some of the best performers in Italian ballet and modern dance, in a ind-raising performance in sup-port of the Teatro dell'Opera's ballet school, of which she is the new director (732304).

Teatro Regio, Claude d'Anna's

production of Verdi's Ernani conducted by Hubert Soudant

Teatro la Fenice. Luca Roncom's production of Mozart's Cosi fon tutte. (5210161),

Renata Scotto (soprano) — arlas and songs. Teatro Lirico Nacional la Zarznela (429 82 25).

Opera. Der Rosenkovalter returns with a new cast led by Gundula Janowitz, Gwendolyn Bradley, Lenus Carlson, Ute Walter, Guenter von Kannen and John San-dor. Mara Zampleri repeats her much praised perform the title role in Das Madchen the true role in Das Madchen aus dem goldenen Westen. Sta-vinsky's Der Feuervogell Agnon! Le Sacré du Printemps, jointly choreographed by George Balan-chine and Maurice Béjart will have their premiere this week. Madame Butterfly convinces thanks to Yoko Watanabe, bril-liant in the title role. Die Sache-Melrogies te sune by Versen. Makropulos is sung by Karan Armstrong, Daniela Bechly,

Maria Jose Brilland, Jan Blink-hof, conducted by Jirl Kout. Hamburg

Opera. Matthius Passion, danced to music by Bach, has wonderful John Neumeler charcography. John Dew, producer of Wolfgang Ribm's opera Handelmaschine made some changes of the revived version, to catch up with the political changes in East Germany. The cast includes Linda

Piech, Carmen Fugiss, Richard Salter and Susanne Otto. Tosca is well sung by Leona Mitchell, Giacomo Aragall and Eduard Tumagian. Also offered *Don Pas*-

Cologne

Opera. Salome, excellenty con-ducted by Cologoe's nusic direc-tor James Conlon with Stephanie Sundine, outstanding in the title role. Simon Bocconegra, produced by John Dew with sets by Gottfried Pilz will have its premiere this week. Susan Dur and Dennis o'Neill make their Cologne debuis, and the cast inlcudes Dimitri Kavrakos, Was-sili Jenulako, Dieter Schelkart. Further performances of Madame Butterfly with Hiroko Nishida in the title role and La

Frankfurt

Pinta Ciard

Opera. Limb's Theorem by Thom William Forsythe opens this week. Rusulka has fine interpre-tations by Clara Bartha, Gall Gilmore, Valentin Jar and Seppo

Hewich

Opera. Il Barbiere di Sivigita stans Edita Gruberova, Cornelia-Wulkopi, Yevgeny Nesterenko and Bruno Pola. Die Zauberfibte and Bruno Fost. Des Zanderjose is a well done repertoire perfor-mance with Hellen Kwon, Pamela Coburn, Matti Salminen and Manfred Fink, Marilyn Zechau takes the title role inStuttgart

Opera. Jommelli's rarely played Februs returns. The successful new Labengrin production by Azel Manthey features Rath Gross, Eva Randova, Roland Gross, Eva Randova, Roland Bracht and Paul Frey. Fidelio has a strong cast led by Deborah Polaski, Krisztina Laki, Matthias Hoelle and Tori Kraemer. La Concentio is sung by Doris Sof-fal, Joan W. Wilsing and Helmut Berger-Tuna together.

New York

Merce Cunningham Dance Com-pany. This great contemporary company has achieved its own classic status as shown in prociasac starns as solven in pro-grammes that remain exciting despite their familiarity. Ends March 25. City Centre (581 7907). Metropolitan Opera. The weak is capped by the premiere of Franco Zeffirelli's new produc-tion of Dan Giovanni, combacted Franco Zeffirelli's new produc-tion of Don Glouzani, conducted by James Levine. Carlos Klaiber conducts the last performances of Zeffirelli's Otello. Perfor-mances continue of James Lev-ine conducting Die Entfilbrung aus dem Seruli in John Dextet's production with Mariella Devis, Berbara Kildus and Gosta Win-bergh, Gian Carlo Menotit's probergh. Gian Carlo Menotti's proaction of Manon Lescant con-acted by Thomas Lincoln Center Opera House (362 6000).

Dance Theatre of Harlem. The acclaimed New York company brings its mixed repertory including Swan Lake and John Henry, Ends March 25, Kennedy

Fanferlizzy Sunnyfeet

WATERMAN'S ARTS CENTRE, BRENTFORD

Kurt Schwertsik, like H.K. Gruber, is a Viennese composer (born 1935) who was reared on the techniques of post-war modernism (he stud-ied with Stockhausen in Darmstadt and Cologne) only to throw them overboard at an early date. The personal style with which he replaced them is tonal, light-boned, whimsical and wry, in many of his pieces he seems able, again like Gruber, to move between the world of Bach's Brandenburg Concertos and that of cabaret with the greatest ease.

One's first impression of his second opera, Das Mürchen von Fanfertieschen Schönefüsschen or "The Wondrous Tale of Fanferlizzy Sunnyfeet" (1983), given its British première at the Waterman's Arts Centre last week by the Trinity Col-lege of Music's music-theatre ensemble, A Moveable Feast, was that it is a musical joke. Its ten little scenes (in two acts totalling 80 minutes) are scored in witty parodic style and set off by chirpy instrumental miniatures such as the "Kleine Overture," 39 bars long, and the "Fanfare" for the first act's bizarre royal nuptials. But the jaunty note of pop and cabaret is deceptive; the score is disarmingly idiosyncratic, stiffened by a compositional technique well aware of Stravinsky and Weill, not to mention Stockhausen and Bach.

The opera, originally con-ceived for audiences of children, is based on a fairy-tale by Brentano; the librettists Karin and Thomas Körner have transformed its diction into a racy modern doggerel, English equivalents for which have been sought and found by David Drew in collaboration with the composer himself. It is a thoroughly earthy affair,

obscene. violent. hudicrous and surreal, evincing a species of Viennese irony that owes noth-

ing to refinement.

The action is difficult to summarise and was difficult to follow in detail. A vague parable of good versus evil is used as the merest excuse for a great deal of pantomimic cavorting by characters with such morally transparent names as Throttlepumpa (Heather Shipp), Miss Go-To-Wed (Giselle Minns) and Allingoodtime, her instantly full-grown offspring (Andrew Nell Walters). In this production by Rhonda Kess — who also conducted the oddly composed ensemble of three flutes, bass clarinet, three trumpets, tuba, piano, percussion, one violin, four cellos and a double bass – floosies and wide boys mixed with an assortment of grotesques (Debbie Gordon's good witch, Fanferlizzy; Mark Williams's hunchback, Pumpeleiro) in a creeping, seething, shuffling and tumbling choreography which reminded me both of recent stagings of Prokofiev's Love For Three Oranges and Terry Gilliam's animations for Monty Python's Flying Circus.
On this occasion Schwert-

sik's opera was supplied with a frame: the action actually took place in a 1920's speakeasy. Dance music not written into the score (but sounding as if composed by Schwertzik any-way) was interpolated at various places, notably at the curtain-call, which was therefore somewhat protracted. The limited resources available for a student production were impressively exploited; and the brief evening was every bit as lively as it was baffling.

Paul Driver

FINANCIAL TIMES

Telephone: 01-873 3000 Telex: 922186 Fax: 01-407 5700

Tuesday March 20 1990

Kohl's famous victory

IF ever there was a famous victory it was that scored on Sunday by the conservative Alliance of Germany in East Germany's first free elections since the Nazis snuffed out democracy in the country in 1933. Though the unexpected result, which gave the Alliance more than 48 per cent of the total vote, left it 8 seats short of an overall parliamentary majority, in political terms it was comvalent to a rout.

By its vote, the East German population has made several emphatic statements. As expected, it has decisively rejected the discredited communist system which has governed the country for the past 45 years. In expressing its preference for the CDU, which favours Nato membership for a united Germany, the electorate has also implicitly rejected the option of neutrality, dangled before it by the Social Democrats. But, most important of all, it has opted in the clearest manner possible for German unifica-tion on the "fast track" terms offered by Chancellor Kohl, under which the East German Laender would simply adhere to the Federal Republic's con-

Nobody can be in any doubt that the victory was Chancel-lor Kohl's and not that of the East German Christian Demo-crats (CDU). Mr Kohl personi-fied the voters' deepest political and economic aspirations, as demonstrated by the huge and enthusiastic crowds which attended his election rallies. For them, he was the leader of a government which had given its citizens one of the highest

No rosy path

The path ahead, however, is unlikely to be strewn with roses. It is obviously desirable that the East German government which negotiates the terms of unification with West Germany should be as broadly based as possible. However, the East German conservative alliance suffered its first set-back yesterday when the Social Democrats turned down the offer to join a coalition of the main political parties. On the economic front, the monetary union between the two states, which the Economics Minister designate. Mr Elmar Pieroth.

end of June, also poses a host of problems, both for Germany and the European Community.

Some of the fears expressed may have been exaggerated, such as the inflationary effect of the promised one-for-one swap of East German marks for D-marks. German monetary officials believe this can be tempered by setting temporary ceilings on the conversion of East German mark savings. A much greater cause for con-cern is that East German wages, which are not much more than half the West Ger-man level, will be set too high in relation to productivity, leading inevitably to job losses and low investment.

Need to consult

The assumption that, because East Germany will be absorbed into the West Ger-man economy, no problems will arise for its integration into the European Community is also over-optimistic. Mr Jac ques Delors, the European Commission President, has emphasized that West Germany must consult its EC partners about the conditions on which East Germany can par-ticipate in the EC. It is clear, for instance, that some kind of transitional arrangements will bave to be worked out for the adaptation of the East German economy to EC regulations, which it is in no condition to adopt all at once.

What is true for the European Community is even more relevant to the Western alliance as a whole. Mr Kohl's success in the East German elections has been widely welcomed in the West, not least by Mrs Margaret Thatcher. But it has taken some time for the Germans to realise that the other western nations feel that their interests are directly affected by German unification. That has been recognised in the "two plus" What is true for the Eurorecognised in the "two plus four consultative procedure grouping the two Germanys and the four Second World War allies, which Mr Kohl has fully endorsed. It is to be hoped that the Chancellor's triumph in East Germany will not in any way lessen his conviction that the pace of German unifcation must take hito account the concerns of its feighbours

A bold start in Brazil

AUDACITY AND surprise are the two most effective weapons a politician can deploy. Perindo Collor, the new Brazilian president, has shown he knows how to put both to good

When he took office last week, Brazil was braced for a shock economic adjustment programme to tackle the uncontrolled inflation bequeathed by the outgoing Sarney administration. But the measures are so broad and drastic that President Collor has both staked out his leader-ship credentials and wrong-footed his critics at the same time. The first hundred days have been compressed into the

Admittedly, President Collor has been able to learn from the mistakes of others in the region, notably President Carlos Menem, in Argentina, who have done too little too late. But it is never easy to risk all one's political capital at the outset and President Collor

serves credit for doing so. The President came to power having said all the right things, but surrounded in consequence by the faint unease that attaches to any minor politician who emerges from obscurity on the back of an almost too-good-to-be-true image of decisiveness and clean government. The sight of this youthful leader galvanis-ing the alling giant of Latin America is tantalising. There is a long way to go; but, with the right policies, Brazil could quickly recover the lost decade of the 1980s and begin to realise its potential as a major player in the 21st century. This is the significance of the era President Collor has initiated, which may be the New Republic hailed when the military

Liquidity squeeze

The main elements of the adjustment package are: a brutal liquidity squeeze, with a virtual freeze on personal savings and corporate assets; elimination of the budget deficit, by closing ministries, winding up public companies and laying off state employees; fiscal reform, including a wealth tax and higher corporate taxes; a freeze on wages and prices; and liberalisation of imports. Ten years ago, such a shock

programme by an incoming president would have been unthinkable anywhere in Latin America. However, it now follows a path beaten by Argentina, Bolivia and several other countries - quite apart from the previous Sarney govern-ment. But these measures dif-fer not only in their severity and scope, but also in that they are set against a much broader back-drop of structural reform. Furthermore, President Collor's reforms attempt to tackle the huge gap between rich and poor which successive Brazilian governments, military and

Wealth taxing

This is a necessary change of emphasis in a country which has some of the worst dispari-ties of wealth in Latin America. It is also an astute political move. President Collor was run very close in the second round of the presidential race last. December by the trades union leader, Luis Ignacio 'Lula' da Silva. By taxing wealth for the first time, the new president acquires a popular constitu-ency which he is going to need, especially as the short term consequence of the adjustment package will be a sharp recession, while his party base in Congress is weak.

Ironically, the opposition is now most likely to come from those who have previously been shielded by the various arms of state, either through employment or through monopolistic business arrangements. The business community, Mr Collor's principal supporters, may well feel betrayed. Certainly in the coming months they will suffer from the combined effects of the liquidity squeeze and import

Nevertheless,the Brazilian private sector is better placed than any in Latin America to absorb such a shock: and before businessmen start screaming too loudly they should realise that the economic shake-up being proposed is a painful but positive path to maximise use of the country's enormous resources. This course will also be endorsed by Brazil's international creditors, who accept that the debt can only be tackled effectively once the correct domestic policies

r Robert Horton looks deter-mined to live up to his American-earned sobriquet as the "hatchet gentleman." This was the friendly term applied to an Englishman who managed to chop out jobs in Cleveland when he was chair-man of Standard Oil (the forerunner of BP America) and retain community

support at the same time.

After just one week as Chairman of
British Petroleum he is drastically cutting back the company's head office, and eliminating 1,150 jobs, with office, and eliminating 1,150 jobs, with up to 900 redundancies over the coming year. Whether the "gentle" part of the appellation will still apply after this exercise in radical central office reshaping remains to be seen.

Most people losing jobs will be cleaners, building maintenance staff and computer specialists — services to be contracted for on a reduced scale when BP moves to its smaller converge offices at Finshury Circus.

corporate offices at Finsbury Circus, a stone's throw from its current akyscraper headquarters in the City of

Yet a significant number of managers from the core of the corporate centre is also going — 160 jobs out of the current 540.

And while a 30 per cent job loss at And while a 30 per cent job loss at the centre is severe enough, the guts of Mr Horton's programme are far more sweeping than the implications of cutting a thousand jobs in a company with a staff of 120,000.

"What I'm trying to do," he says, "is to simplify, refocus, make it clear that we don't need any longer to have hierarchies. We don't need any longer to have baronial head office depart-

to have baronial head office depart-ments. This is a fundamentally different way of looking at the way that you run the centre of the corporation."

Mr Horton accepts the achieve-ments of his predecessor. Sir Peter Walters, who is widely credited with Walters, who is widely credited with helping BP out of financial difficulties in his 10 years in office, while restructuring and fixing a forward-looking strategy for the group. "This is not a reorganisation," Mr. Horton insists. "And I'm not restructuring BP." However, "After 10 years, organisations build up an accretion of harneeles on their hull and need a

barnacies on their hull and need a jolly good scrape," he adds.

With a good scrape in his second week in office, Mr Horton aims to clarify and simplify the role of the corporate centre, devolve financial authority and responsibility down a flattened corporate hierarchy and eliminate committees and layers of control and planning – all of which is intended to force individuals to take responsibility and initiative – throughout BP, not just in Britannic

He wants BP to be more flexible and responsive in what is likely to be a turbulent decade. And he is in effect telling people in the operating busi-nesses: I'm going to get off your backs and stop second guessing your deci-

"What I want to get away from is a culture where the chairman says, I really want to know why the lavatories at the service station in Shiplake

Robert Horton laid exceptionally careful plans to stage the corporate revolution he has now unleashed within BP, writes Christopher Lorenz. Horton got the BP Board to commis-sion "Project-1996" — a research and consultation process which prepared the revolution — last July, eight months before the retirement 10 days ago of Sir Peter Walters, and even before Horton had been confirmed officially as heir apparent.

Yet the need for change had become patently obvious. BP was bogged down in its own bureaucracy, and its senior staff became increas-ingly disgruntled – as was revealed at the beginning of 1989 in an opinion survey of its top 150 managers. The survey shocked Walters and his managing directors, not least because over half of the senior staff was Steven Butler reports on changes at the heart of British Petroleum

Cutting down and reshaping the core

are not adequately stocked with toilet paper."
BP's basic business structure will continue to be dominated by four business divisions: exploration and production, oil refining and marketing, chemicals, and nutrition. The plan will lead to the final integration of the old Standard Oil business into the BP system. The Cleveland head-quarters, where Mr Horton played a key role turning Standard Off around, will be gutted of its operational role, although Mr Horton insists it will be even more important in strategic terms and in presenting the corpora-tion's public face. Europe is being upgraded as a region, headquartered in Brussels.

Investment sums that can be spent without referral up the bureaucratic chain will be increased throughout the group. BP will, none-the-less, still be a far cry from the oil industry's paradigm of decentralisation, Shell, which vests almost complete autonomy in its nationally based, inte-

omy in its nationally lased, inte-grated operating companies.

BP is by no means the first giant multinational to attempt to redefine the centre and eliminate hierarchies. In Britain, ICI began the process eight years ago, under the redoubtable Sir John Harney, lones John Harvey-Jones.
What is unusual is the spectacle of

what is unusual is the specialle of a mammoth preparing the revolution so thoroughly as BP — especially the "soft," human, aspects of radical change. In America, General Electric concentrated for its first few years under the abrasive, but inspirational, leadership of Jack Welch from 1981 on the "hard" aspects: job cutbacks, sim-plified structures and streamlined processes — leaving executives to fend for themselves and causing much disaffection among middle man-

Horton plans to make hard and soft go almost together, with job cutbacks

unclear about the BP group's five year mission and strategy. Many of the 150 also felt that HP's structure impeded both operational flexibility and collaboration between different

Such internal criticisms of the of enternal criticisms of the effects of BP's near-initiary regime of committees, commands and controls were taken much further by the 4,000 lower-level respondents to a very broad-ranging questionnaire which was carried out by the Project

The Walters regime, introduced in 1981 shortly after his accession, was vital in its day; his erection of myriad checks and balances both across BP, and up and-down its steep hierarchy, rescued the company from its flaccid state at the turn of the decade; before then, much of it had been run, like

ure of Robert Paparembords, the former prop forward and

now manager of the Racing Club de France.

Ferrasse amounced yester-day that he will not stand for

a seventh term as chairman

when his current stint ends

in 1992. But, with Paparem-borde breathing down his

Opaque

ness panels."

neck, he may not survive that long.

A visitor to an American-run

his hosts on the windows in

the computer suite. "Those aren't windows," he was told, "they're environment aware-

Horton's hopes

■ A hig part of BP's Project 1990 which was formally unveiled yesterday is aimed at making BP staff feel better about working for the com-pany, at least the ones who still have jobs. Robert Horton, the new chairman, wants to make BP

chairman, wants to make BP

into a company that is nation-

ality, sex, and colour blind, something he says he tried very hard to achieve in the

US, when he managed BP's

which is now BP America.

to BP via Standard Oil are

final takeover of Standard Oil,

Americans who have come

increasingly finding their way into senior positions in Britan-

nic House. Horton wants to

lower the barriers still further

so that BP will become a truly

transnational company. Other-

wise it will not be easy to

recruit and retain top-quality

nationals from other countries.

Horton says he expects to

see a woman appointed as one

of BP's managing directors before he retires. When that

will be is a question he can

with only a week in office

hardly be expected to answer

earch station complimented

OBSERVER

followed swiftly by programmes right across the group aimed directly at changing attitudes and behaviour to fit with the changed work relation-ships. Mr Horton expects, perhaps optimistically, that this will take two or three weers or three years.

It is a vision that is far more easily articulated than achieved. Employees will have to prise themselves from a comforting bureaucratic womb and learn to take risks.

Horton recognises this: "The system will fight back because there are people who are comfortable with this.
All their life has been trained for another sort of way of doing things."
And there is a danger not just that the programme might fall, but that if handled insensitively, it could pro-voke confusion and increase the cyni-cism that has accumulated in recent years inside the company, all of which was throughly documented in two opinion surveys last year that

Some 70 corporate centre committees, 90 per cent of the total, are gone – closed, plain and simple – with indi-viduals taking responsibility instead. Hierarchically structured departments are out - replaced by small flexible teams. Mr Horton and his close advisers evidently see the differ-ence, but what about others in BP? The first-day-on-the-job question—
"Who do I report to?"— no longer has
an answer at BP's corporate headquarters. The new "organisation
chart" consists of ovals floating inside

many large European compat the time, on an integrated basis which was unwieldy, in spite of the fact that diversification had turned it

The basic elements of the structure which Walters introduced were: clearly-separated international "hust-ness streams" (divisions) with their own boards; and negotiated financial relationships at all levels across the business streams, and between them and head office. It was exactly the right medicine", said one senior American BP manager today. Yet, as the 1980s progre

bureaucracy grew as committee was piled on committee, and as the he office involved itself with operational issues in addition to strategic and

CORPORATE

CENTRE

shocked the BP management.

What is proposed at the centre shows fully the potential for disarray. Mr David Simon will keep a steady hand on the tiller as chief operating officer, giving Mr Horton time to devote himself to strategy and external relations.

nal relations.

It all spells flexibility, but it may just as easily spell confusion unless responsibility if delegated precisely to individuals and teams. It will fail unless EP employees are conditioned to accept this new responsibility.

Mr Horton is probably well equipped to lead such a change. He is an extremely ambitious man whose an extremely ambitious man whose character is not flawed by a lack of self-esteem. He rose rapidly to the top chart consists of ovals floating inside a larger oval (dubbed The Egg, by the Project 1990 team), with the chairman and chief operating officer sitting on top of it, and managing directors from the operating businesses hovering outside. Instead of structured hierarand, perhaps not unexpectedly, has won his share of detractors inside the company. He is, none the less, recogcompany. He is, there the less, recog-nised as a highly capable man with an expansive personality and an appeal-ing public face. He is willing to wade into the thick of controversy, as he chy, managers will network - create their own patterns of interaction. into the thick of controversy, as he did in Cleveland, and plead his case.

A hectic divestment programme was meanwhile rendering the degree of complexity and control increas-ingly inappropriate. By the late into an exceedingly complex con-

ingly inappropriate. By the late 1980s, from having encompassed as many as 11. business streams in 70 countries, BP's spread and managerial complexity had been stripped back to only four streams: Exploration ("BPX"), Oil (refining and marketing) Chemicals, and Nutrition. With increased emphasis on regional management in Europe, America and the Bus East (on 11.20 metric can the Far East, "an 11x70 matrix can now move towards a 4x3 one", as Horton puts it. Still, old managerial structures, information flows, procedures and styles remained largely unchanged.
"We spent more time dividing up the pie than trying to make it higger", said the US executive. The medicine

As he jets around the world in the coming months and years, arguing his employees, he will surely win many

One need not be cynical to notice that the changes are also certain to bolster Mr Horton's powers in the job by centralising head office authority around himself and Mr Simon, with whom he is sharing some of the tradi-tional job of chairman. As much as the old committees and departments at the corporate centre served as an extension to the chairman's office, they also buffered the chairman from a direct relationship with the depart-ments and the operating divisions. With traditional hierarchies cut away, managers will become beholden to Mr Horton and, to a lesser extent, Mr Simon If Mr Horton succeeds, BP will truly become his oyster and a gentleman he will remain.

which had once been so potent was turning sour.

The head office also seemed to have

become preoccupied with "asset trad-ing" – in other words, with portfolio management through acquisitions and divestitures. The effect on inter-nal morale was inevitable, as last autuum's staff questionnaire showed only too clearly.

There was a financial penalty too.

stead of the size and cost of the London head office falling as the portfolio of businesses shrank, it increased by 10 per cent between 1987 and 1989, to more than 5,800 people (2,500 excluding engineering and research) Total UK corporate costs were up from £94m a year to over £130m last year. They were heading for £150m in 1990 before Horton got to work.

French rugby off the field

■ The French rugby selectors sat out the Scotland-England match on Saturday at a seminar preparing for the summer

tour of Australia.
After France's disappointing performance in the home championship, no-one seems very keen to go. Jacques Fouroux, the team manager, wanted to take a six month sabbatical, while the trainer. Jean-Pierre Romeu, found a pressing business engagemen The team as a whole has refused to face the mighty New South Wales for its opening match unless it leaves out its

10 internationals.
The real battle, however, is taking place off the field, as resistance mounts against the reign of Albert Ferrasse at the head of the French rugby federation. Now 72, Ferrasse has been the federation chairman for the last 20 years, and chairman of the Inte tional Rugby Board since 1987. He has made a lot of enemies, but while the French team went on winning he was diffi-

on Ferrasse in person, with the revolt led by the burly fig-

cult to dislodge.

Among the main criticisms was his determined support for players from his own clith, Agen, and his vendetta with two of the most impovative rugby trainers in France, Pierre Villepreux at Toulouse and Daniel Herrero at Toulon. The feud helped keep some of their players out of the international side.

It took the direct intervention of President Mitterrand to persuade Ferrasse to add the gifted Denis Charvet, from Toulouse, to France's squad for the last World Cup. After this season's defeats, the knives have come out. The first victim was the Ferrasse protegé, Pierre Berbizier, the captain and scrum-half, sacked after France's drubbing by England, with team manager Fouroux also in the firing line. Opposition has now focused



"I'm looking forward to spending less time with other people's families."

behind him. Some of his staff, however, are speculating that his next stop could be politics. After all, he is only 50.

Trudeau's back ■ The Canadian who did a pirouette behind the Queen's back 20 years ago makes a return to the political limelight today. Pierre Trudeau will emerge from retirement to launch a book of essays reflecting on his 16 years as Canada's Prime Minister.

Trudeau has contributed only the introduction and the final chapter, and the contents are less significant than the timing. The man who used to scorn the media has arranged three press conferences in as many days to attack the policies of the present Prime Min-

ister, Brian Mulroney.
Trudeau is opposed to the Meech Lake Accord, the constitutional agreement hammered out by Mulroney three years ago which recognises Quebec as a unique part of Canada. And in the book he calls the free trade agreement which

Mulroney negotiated with the US "a monstrous swindle". Since stepping down as prime minister in 1984, Trudeau, now 71, has worked for a Montreal law firm. As one of the world's most eligible single men, he has appeared more often in newspapers' social columns than their news pages. That will change this week, but we are assured that it is only temporary.

Prize to come ■ Nigel Lawson was some-times called the "one club"

Chancellor because of his insistence on relying on interest rates to control the economy. But there is another singular club that could yet be open to his successor, John Major. It is composed of post-1945 Chancellors who presented

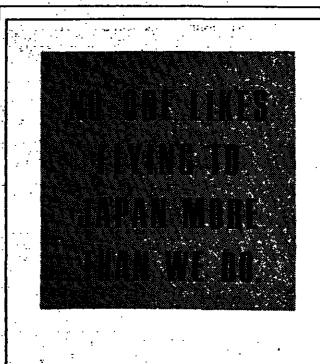
just one budget. Hugh Gaitskell was Labour's only representative. In the words of Aneurin Bevan, his 1951 budget "united the City and divided the Labour Party". and divided the Labour Party. It led to the resignation of Bevan and Harold Wilson from Attlee's Cabinet, and in 1955 Gaitskell became Labour's

In 1956 Harold Macmillan presented his single budget (best remembered for the introinction of premium bonds). :-Following the resignation of Anthony Eden, Macmillan became Prime Minister in Jan-

nary 1957. Given a skilful budget, per-haps Major could join the club.

Crackers ■ A piece of string went into a bar and asked for a pint of bitter. The barman said: "Tm

sorry, we don't serve pieces of string." The string left, and shortly afterwards another piece of string appeared in a dreadful state. dirty, unravelled and ragged, and asked for a pint of bitter. The barman said: "Aren't you the string that was in here just now?" The string replied: "No. I'm a frayed knot."



Only JAL have 33 flights a week from Europe to Japan.

1. 2. 4. 2



FT writers analyse Sunday's East German election

A fter years of craving for West German prosperity.

Bast Germans were not likely to place their confidence in a thin politicism, one laconic ambessador in Bonn remarked last week

PENDAY MARGE

His observation about the girth of Chancellor Helmut Kohl - looking higger and rosier than ever, in spite of six recent gruelling electioneering visits to East German cities—sums up why East German voters on Sunday opted decisively for a Christian Democrat-led govern ment. The result of East Germany's first democratic election for the Volkskammer (parliament), defying opinion poll predictions of a win for the Social Democrats, will almost certainly also be the last.

The outcome reflects the views of the so-far silent majority of East Germans resentful and bitter after 40 years of communism. By giving 41 per cent of the votes to the sister-party of Mr Kohl's Bonn Christian Democrats, the East German electorate has selected as quickly as possible an anschluss with West Germany's well-upholstered economy. The drawback is that the planned replacement of the incon-vertible East Mark by the DMark a goal given top printity yesterday by Mr Lother de Maiziere, the East German CDU leader, who is now prime minister designate — will bring pain as well as benefits. For Mr Kohl, Sunday's Christian Democrat victory sounds the starting gun for a race against time.

Unemployment in East Germany – currently estimated at about 70,000 – is likely to rise substantially as the country's moribund and inefficient companies are exposed to the full force of compet-tion. The East German economy is churning out goods hopelessly outclassed in price and quality by West German products, which will be competing on equal terms as soon as the DMark is made legal tender east of the Elbe. east of the Elbe.

The challenge for Mr Kohl and Mr de Maiziere is to encourage West-German industry somehow to invest sufficiently before unemployment starts to rocket – an outcome which could trigger political and social tensions in both German

"This was a vote for the West German government," Mr Michael Müller, pastor at the Protestant church of the Cross in Dresden, said yesterday. He is a veteram of the widespread protests in the city last October which helped trigger the East German revolution.

Particularly in the south of the country, where the Christian Democrats secured roughly three-quar-ters of their 164 seats in the 400-deputy Volkskammer - voters chose the "strongest force" in the direc-



Christian Democrat leader, Lothar de Maiziere (right) shares a toast with West German

A vote for Anschluss

The paster himself voted for the Alliance 90 citizens' initiative group, pooling together some of last year's dissident forces. He added a note of hope tinged with scepticism: "Now, it's up to industry to stimu-late the economy."

East German voters now expect.

Mr Kohl to deliver on his promises
of well-being. Yesterday's political

The outcome reflects the views of the so-far silent majority of East Germans, resentful and bitter after 40 years of communism.

sparring in East Berlin over the future government gave a hint of difficulties to come. The Social Democrats, who won 22 per cent of the vote, rejected the a of entering a coalition with Mr de Maiziere and his two smaller conservative partners, which together brought the Right score to

48 per cent. Mr de Maiziere, a church lawyer, badly needs a broad-based coalition.

Mr Kohl, continuing the dominant role played by western parties in the East German election campaign, urged the East German Christian Democrats on Sunday night to aim for a Grand Coalition to spread the political risks likely to stem from unpopular economic measures, such as cuts in subsidies.

secure a two-thirds majority in the Volkskammer, to allow East Ger-many to accede to West Germany under Article 23 of the Bonn con-stitution. This clause lays down an automatic mechanism for "other parts of Germany" to join the Ped-

eral Republic.
It is precisely Article 28, however, which has drawn the strongest opposition of the Left during the East German campaign, with the Communists in particular playing on fears of an uncontrolled "seli out" of East Germany to the West. The former Communist Party, participating on Sunday under its new name of the Democratic Social-

ist Party (PDS), won enough votes - 16 per cent - to make life diffi-

cult for the CDU and SPD. Mr Stefan Heym, the veteran East German novelist who was one of the spiritual fathers of last autumn's protest movement, is one of the main opponents of a "takeover" by economic interests in the West. Mr Heym is scathing about the Communists — "stupid people who couldn't give up power." But he also says of the possible consequences of economic unity: "It's going to cost a lot of people blood, sweat and tears. Maybe even

However much acclaimed by the flag-waving masses, the quick mote to unity is opposed by a strong body of Communist functionaries still holding some important positions. One official at the Staatsbank, the Mr de Maiziere also needs to central bank - which will be

absorbed by the Bundesbank once monetary union takes effect – grumbled yesterday that the coming new laws on property rights "would not be to the benefit of the people." In the aftermath of the poll, East

Germany presents an almost surre-alistic picture. Large stretches of the Berlin Wall — which Mr de Maiziere pledged yesterday to pull down "as quickly as possible" – are plastered with acres of election posters printed and paid for by Western parties.

After a breath-taking transition from Stallnism, East Germans have given the impression of easy adaptation to the ways of democracy.

As a sign that the second German state is adjusting to the new bal-ance of risk and opportunity, Mr Kohl is desperately hoping that emi-gration to the West will fall in the next two weeks. Last week, he voiced fears that the exodus could reach 500,000 by the summer unless people gained confidence.

With an eye on the Federal German elections in December, as well as possible elections in 1991 for a united German parliament, Mr Kohl has to avoid disappointing 16 million East Germans — as well as persuading 81m West Germans that the costs of unity will not be too high. On the Christian Democrats' route to remification, winning the election on Sunday may turn out to be the easiest part of the journey.

David Marsh

East Germans decide the fate of Europe

Europe on Sunday, apparently without knowing it. Nato, the Warsaw Pact, the EC, troops, missiles . . . none of these played a major part in the election campaign. The main issue was whether East Germans would do better to throw themselves into the arms of the Federal Republic or to hold out for some kind of bargain. On this issue they were, as it turned out, split almost evenly. The Christian Democrats (CDU) and their allies, who campaigned for unity as fast as possible, using Article 28 of the West German Basic Law, were in strict arithmetic the minority, with 48.2 per cent of votes. All the other parties, between them representing a narrow major-ity, were to some degree opposed to

But such a majority is, of course, possible between the ex-communists (16 per cent) and the Social Democrats (SPD - 22 per cent), let alone the Free Democrats (5 per cent) and the three other small groups, which would be needed. Politically, the CDU are the undoubted victors, their achievement in winning nearly double the SPD's total amplified by the widespread forecast that an exactly opposite result was likely. They will, no doubt, seek a broad coalition with both SPD and Free Democrats but neither will be strongly placed to quibble over the procedure or the timing of German

This result will surely seem like more bad news to President Gorba-chev, even though he had already resigned himself to German unity as such, and probably also to the united Germany being a member of Nato. On that second point he has been playing for time, evidently hoping that, in the "Two plus Four" talks between the wartime Allies and the two Germanys and in the ensuing pan-European summit he will be able to win some concessions on the disposition of troops and weapons in Germany, on the transformation of the alliances into "political" (or non-military) organisations and on the creation of some kind of European collective security system bridging the East-West divide. He needs time for all of that, and also perhaps to let the Soviet public and armed forces get used to the idea of German unity. West Germany's allies would also

prefer a slower route to German unity, for similar if not identical

welve million East German reasons. They value Mr Gorbachev voters decided the fate of as a Soviet partner, and do not want to see his domestic situation made more difficult than it is already. They also see the delicacy and diffi-culty of adapting the European security system — not only Nato but such hoary issues as the Aliled status in Berlin - to a Europe including a reunited Germany: they accept that adjustments are neces-sary but are afraid it will be botched if it is done in a hurry.

But there is the consoling fact that Chancellor Helmut Kohl, the real victor in Sunday's election, is firmly committed to remaining in Nato, whereas the Social Demo-crats, who are the main losers, are divided and ambivalent on the issue. Besides, the procedure for unity favoured by the CDU - adhesion of the East German Länder to the existing Federal Republic -makes it less likely that Nato membership will be an issue in the German-German talks, although it is

still bound to be one in the Two-Plus Four negotiation, which has to deal with the "external aspects" of German unity. In those talks, it now seems reasonable to expect that both German delegations will side with the three Western allies in arguing that the united Germany will be a continuation of the present Federal Republic and will therefore be bound by its international obliga-tions, including membership of Nato, the EC and the Western European Union

pean Union.

They will not argue, however, that this implies an immediate withdrawal of Soviet troops from East German territory, still less a triumphant advance of Nato forces from the Eine to the Oder. Paradoxical though it seems, a united Germany may well wish for Nato membership as a guarantee against Soviet aggression, and yet be quite content, at least for a time, to have the army of the putative aggressor encamped on the eastern portion of its territory.

Not only that. It looks as though it will be prepared to let the Soviet forces be the only troops in that part of Germany, with the possible exception of a continued Allied presence in West Berlin. Mr Walter Momper, the Social Democrat governing mayor of West Berlin, has made the constructive suggestion that East Germany as a whole that East Germany as a whole should be governed by the same rule as West Berlin is at present that is, there should be no German forces there and the population would not be liable for service in

the Bundeswehr. This would presumably be reassuring to the Poles

as well as the Russians. Some people have interpreted Mr Momper's proposal as meaning that Berlin's present status under Four Power occupation should be extended to East Germany, but this, I believe, is a misunderstanding. Everyone agrees that the Four-Power status is an anachronism, which it has been convenient to maintain as a legal basis for the Western allies' presence so long as West Berlin's freedom was threatened, but which must be ended as part of the package of international agreements which will set the seal on German unity.

Mr Momper certainly intends that both Berlin and East Germany should be under the unfettered sovereignty of the united German state of which Berlin will almost certainly be the capital. Soviet troops would stay in East Germany and some US, British and French troops would stay in West Berlin, not as occupiers but under an arrange-ment freely arrived at between Germany and the Four Powers.

The main objection to this set-up is that it would be hardly less artificial than the present arrangement, without even the excuse of being a survival from a previous era when it made sense. What is going to be the mission of all these troops? Who exactly will they be protecting from whom? Why would West Germans and West Berliners require protection from a Soviet force who ence in their country had already been freely accepted by their own government? And what would the Soviet commander tell his men was the purpose of their presence in Germany? To defend unarmed East Germans against their armed compatriots in the West?

In the end one hopes there will be no good answers to such questions; that neither a united Germany nor a disunited Soviet Union will any longer seem threatening to any-body. Then either the whole business of keeping troops in foreign countries will be seen as an unnecessary expense or, perhaps, we shall all station small units on each other's territory as part of an elabo-tate web of peacekeeping and confi-dence-building arrangements. But what we need right now are transitional arrangements to get us through the next few years of uncertainty; and the Momper Plan looks like a good one.

Implications of Caparo

From Mr T.G.R. Lawrence. Sir, Too much is being made of the argument that accounts are of less value to potential investors now than they were before the Caparo decision.

:== =

The Companies Act requires directors to produce true and fair accounts of the company's profits and financial position, to send those accounts to all shareholders and to file them with the registrar of companies. The accounts are required to be audited so that the audi-tor adds his professional opin-ion whether the directors have

fulfilled these obligations.

The result is that accounts come into the possession of the shareholders and others that are useful to them in making decisions about their dealings with the company. None of this

what has changed at all.

What has changed is the identity of who can sue the auditors on the rare occasions when they fail to detect that the directors have not fulfilled their obligations. That does not mean that the accounts are any less useful than before.
Life is full of examples of useful information being produced, at no cost to those who use it, by people whom no one

thinks of sning if they make a professional mistake in the course of their work - journalists, weather forecasters and those who provide road traffic reports to name but a few.

Whether information is useful and generally reliable is quite different from whether the provider of that information should thereby accept lia-bility in an indeterminate amount for an indeterminate time to an indeterminate class. It was decided as long ago as 1931 that that would not be reasonable. Recent case law had begun to cast doubt on the question. The House of Lords has now reaffirmed this important distinction between the provision of useful information and acceptance of the liability

to be sued if it is wrong.
Accountants remain liable to
be sued if they do a bad job and will continue to be as generally careful as ever. The fact that the range of potential plaintiffs has been reduced will not make them any less careful in the discharge of their duties. The accounts they audit will be as useful as they ever were.

Overdue call for compulsion

From Mr Ansel Harris.
Sir, The contribution by Professors Layard and Prais to the employment training debate ("Time to think about compulsion," March 15), is timely, coinciding as it did with the first environment of the first anniversary of the announcement of the creation of the Training and Enterprise Councils (TECs).

The idea contained in the headline might be chilling. It is however not only timely; it is

The Anglo-American Council on Productivity's report, Universities and Industry, was but the first of many addressing the subject on which little or no action was taken. One of its urgent recommendations read: urgent recommendations read:
"... immediate attention
should be given to the provision as rapidly as possible of
extended facilities for preparing a large number of young
men for industry, giving them
a broad general education on a full-time basis with a technical standard at least as high as that of the Higher National Cartificate courses." That was

in 19511 In the last decade, since the New Training Initiative White Paper, 1981, we have witnessed T.G.R. Lawrence, Coopers & Lybrand Deloitte, Plaintree Court, EC4 a proliferation of reports and white papers expressing con-cern and suggesting ways of dealing with the fact that

"Britain's workforce is under-

educated, under-trained and under-qualified" (CBI report, Towards a Skills Revolution, July 1989). Initiatives to the same end have been taken both by government and the private sector, but none with the required clarity of purpose and Concerned as our members

are with the skills problem, we have, over the years, initiated a number of programmes with our local colleges of further education. That is why in welemeation. That is why m wer-coming the TECs we wrote: "We urgs it (the National Training Task Force) to encourage, perhaps even make mandatory, that one of the seats on each TEC be allocated to an experienced representa-tive of the local education and training community." (Letters, March 25 1989).

Sadly this advice has fallen on deaf ears. We have been advised of the prospective board members of our two local TECs. Representatives of the education and training community are notably absent.
That is why we welcome and endorse the two professors' recommendation of "part-time vocational education which is compulsory and free." Ansel Harris, Park Royal Enterprise Trust, Wazlow Road, NW10

German monetary unitication

Sir, Robert Lawrence and Warwick McKibhin ("Counting the cost of unification," March 15) correctly highlight the pol-icy dilemma posed by mone-tary unification in Germany.

From Mr Giorgio Radaelli.

A Mark conversion rate strong enough to stem emigra-tion from East Germany would have the undesired side effect of discouraging foreign direct investment by boosting the foreign currency level of East German wages. This is a case in which we face more targets The facts are that the UK (two) than we have instru-

ments (one).

However, the suggestion of adopting a strong conversion rate accompanied by wage subsidies in East Germany is illjudged. Not only would the pressure generated on West German public finances (and the consequent tax rises) cause resentment among many West Germans but, more importantly, the likely interest and exchange rate repercussions would hardly please the other member countries of the European Monetary System, Unless the Bundesbank embraces a fully accommodative monetary stance the fiscal boost would drive both German interest rates and the currency upward thus causing either EMS instability or lower growth.

Therefore, a solution which avoids strains on West German public finances is called for, One idea would be to opt for a realistic conversion rate (no less than DM 1 to four East German Marks) so as to keep domestic wages competitive and to compensate East Germans by allowing them to purchase land and other state assets at more favourable terms than those applied to for-eigners. That way the loss of income to East Germans due to the low conversion rate would be offset by a boost to their tangible wealth while wage levels would remain attractive to foreign capital. Giorgio Radaelli, Senior Economist,

AST Premium 386SX. Another Winner For The 90's. The 90's are going to demand more than ever before from your personal computer. And the AST Premium 386SX delivers. To begin with, we built in a high-speed memory cache that boosts operating speed to the very highest level. Much faster, in fact, than SX-based computers from manufacturers like Of course, speed alone doesn't win the race. Cupid-32th, our own patentpending technology for easy upgradeability, lets you move up to full 32-bit
386[™] or i486[™] processing power. Without replacing your computer. With all of this, it came as no surprise that the Premium 386SX captured PC Magazine's Editor's Choice award. Here's what they had to say, "Clearly, the Premium 386SX/16 is an attractive choice if you're interested in upgrades. But even if upgradeability is not a concern, the system is very much worth looking at for its intelligent design, quality construction, and top-tier performance."

If you're looking for even higher performance in a 386 system, we suggest you choose our Premium 386/33. This powerful computer offers the highest level of 386 performance, with all of the upgradeability and expansion capabilities of our Premium 386SX. **AST's Award-Winning Premium Computers** AST Premium 366/33 AST Premium 386/33 awarded for "Best Buy" mong 33-MHz 386 systen by PC World magazine Of course, the Premium 386/33 is also an award winner. It ranked at the top of the class in InfoWorld magazine's report card, and won PC World's Best Buy" award. Industry awards are gratifying, but even more important is the respect we've earned from our customers. Our dedication to service and support is as well-recognised as our commitment to quality and reliability. And that's why we're on the recommended lists of over 60% of the nation's top 2000 corporations. It's also why people who know computers ask for AST. Call the AST Information Service on 0923 210490 for your complimentary video about AST. alda — Corporate Handiguerters: 16215 Alten Parlauny, Brobse, CA 22713 (71 0 727-6292) in Europe and USD; he Japan cull 81 3 818 (17 10; in the Par East cull our Hong Kong office at 852 8 806-6339; in Canada Min call 61 2 906 2200. AST is a supplier to U.S. go COMPUTERS The No. 1 Alternative

Year by year improvement

From Mr John Porter.
Sir, In covering a report by the National Economic Devel-opment Office comparing two similar construction projects, in Cumbria and South Carolina ("UK construction productivity criticised," March 7), Andrew Taylor says: "Productivity of UK workers ... was 42 per cent lower than that of US engi-

Although this statement does occur in the report, it can-not be justified by a close study of the detailed findings. It is true the report shows that 27 per cent more man hours were taken to construct the UK plant (1.2m compared with 945,000), but it also explains that, although the British project took only 5 per cent longer to complete, work started four months earlier, allowing US workers to avoid snags encountered in Cumbria, and points to differences in building regulations which adversely affected

the UK project.
Those of us who have a responsibility for the performance of the UK engineering construction sector are far from completent and recognise

the need for continued improvement in productivity. As reported by the FT on January 19, our national joint council has recently approved some far-reaching changes in pay structures, training arrange-ments and working practices which are designed to deal with many of the problems highlighted in the NEDO highlighted in the NEDO report. But success breeds success and it is counter-productive to play down the significant improvements gained over the past few years by exaggerating current compari-

sons with productivity in the

US or anywhere else.

engineering construction industry is better equipped than ever before to meet the needs of clients and is improving its performance year by year. I trust that any potential capital project investors who may have been misled will modify their views in the light of my comments.

John Porter, Director and Chief Executive, NECEA, Broadway House Tothill Street, SWI

FINANCIAL TIMES

Tuesday March 20 1990



Moscow plans for market economy

By Quentin Peel in Moscow

RADICAL MEASURES to demolish state control over areas of the Soviet economy, including liberalising prices and introducing some form of rouble convertibility, are planned by the start of July.

Details of the reform package were revealed yesterday, confirming that Moscow would of progress towards a market economy, including a law on shareholding enterprises, anti-monopoly legislation and the broadening of ownership.

The change in both the tempo and nature of Soviet

by Mr Mikhail Gorbachev in his inauguration speech as Executive President last week. Senior advisers said he was looking at a programme for

"100 days."
The Radio Moscow news service, Interfax, said yesterday that 17 inter-related papers on economic reform had been tabled with the Supreme Soviet. These had been worked Leonid Abalkin, the deputy

premier in charge of economic reform, but had apparently still not been approved by the Council of Ministers.

Mr Gorbachev appears to be preparing to go ahead with the package, whether or not the government, in the shape of the Council of Ministers and the parliament – the Supreme

The programme follows closely the sort of lines espoused by Mr Gorbachev's new economic adviser, Professor Nikolai Petrakov. It appears similar to the Polish economic reform measures, involute corresponding in involving severe austerity in the form of price liberalisation combined with wage controls.

The Soviet model would also include the abolition of govern-

ment control over wholesale trade and a switch from cen-tral planning control over investment to control through a revitalised banking sector. Altogether, the programme is aimed at de-statisation of ownership and transition to a well-informed in recent weeks dential reform programme

"The programme would lead to the de-monopolisation of the economy, and the de-ideologisation of the economy and of

social life," it said.

The package would include financial reform, banking reform, approval of a law on shareholding, price reform and the introduction of social security measures in the form of direct compensation to protect

the poor.

"It also contemplates the realisation of rouble convertibility and the introduction of a proper parity for it," Interfax

It seems unlikely that out-right rouble convertibility would be contemplated so soon. However, Prof Petrakov has argued for the introduction of a parallel rouble, fully con-vertible, to be used in foreign projects including joint ven-tures and special economic zones, and also to promote

end of the financial year at the end of March. The market was

heavily influenced by futures-linked computer-driven trad-

ing The futures contract based on Topix, a broad index of

Prof Petrakov's plans would require a big injection of con-sumer goods into the economy, to compensate for open infla-tion and help soek up the huge overhang of excess money in circulation. That in turn would seem to receive a major import seem to require a major import programme of consumer goods and foodstuffs, financed by borrowing, until the Soviet con-sumer goods industry can

The Interfax report ould be below the poverty would be below the poverty line, and needing compensa-tion, and cheap food outlets would have to be introduced. The package would be intro-duced both through new laws in the Supreme Soviet, resolu-tions of the Council of Minis-ters, and the new presidential degrees?

boost its own production.

It is not clear whether the reforms will be acceptable to Mr Nikolai Ryzhkov, the Prime Minister, who in December was responsible for a cautious eco-nomic reform package denounced as inadequate by

will continue our utmost

efforts to get a high valuation again by improving our busi-ness performance."

shares down continues to be a

strong fear that the rise in Jap-anese interest rates, which began last spring, is not yet

The Bank of Japan is widely believed to be considering another hike in the Official Discount Rate although offi-

cials condemn such thoughts

rates have been creeping up despite the authorities' best efforts to keep them down. But they have not risen fast enough to prevent a decline in

Investors believe that only a

sharp rise in the official rate from its current level of 4% per cent will help to restore confi-

dence in the currency.

In the meantime, investors seem to be jumping on reasons

for selling yen.

The trigger for yesterday's sharp fall was news that conservative forces had won the

East German election, which

prompted a surge in the West German mark.

In the meantime, market

main force driving

Baseball's golden boys go back to the diamond

keen fan President George Bush said last week he wanted to go to the opening game someplace, following the presi-dential tradition of throwing out the first ball. He will have to wait until April 9, becar

The dispute has been about how wealthy players, already earning an average of \$500,000 a year, and even wealthier owners, should carve up an

Baseball boomed during the 1980s with attendances rising, with 2m or 3m aggregate gates for some hig city clubs, and television fees soaring.

four years and the cable ISPN channel has a \$400m agreement — leaving aside profitable local television deals arranged by individual clubs.

The beauty of it all for the owners has been that the clubs have controlled entry to the baseball market and delayed any forther expansion of the

any further expansion of the number of teams of the kind seen in the 1960s and 1970s. With such an attractive and

team at ever higher pay rates, while pitchers or batters with a couple of good seasons have signed for million-dollar sums to guarantee their futures.

impatience among fans and with players eager to get out on the diamond.

day, everyone will soon forge such nonsense and wonder whether the Oakland 'A's can repeat their form after crush-ing the San Francisco Giants so totally in the earthquake-delayed World Series last October, and speculate about to be fired.

By Peter Riddell, US

PLAY BALL! The 32-day lockout of America's baseball players by the 26 owners of major league baseball clubs ended early yesterday to the immense relief of both sides to the district of the players stated to the district of the players at a state of the players at a state of the district of the players at a state of the players at a state of the district of the players at a state of the players at a state

opening day has been put back

a week.

The players officially start spring training in camps today in Fiorida and Arizona, nearly

fast growing pot of money, owners and players have both displayed unashamed greed. The owners have sought to limit the conditions on which players can move from team to

tively minor matter of whether players would be able to seek higher salaries through independent arbitrathree years of major league play. Eventually, a messy compromise was agreed limiting the number of players qualify-

ing after two years.

A new minimum salary of \$100,000 was agreed, up from ing exercises take more time then they are worth; they can \$68,000 at present.

The late-night agreement came amid signs of increasin

But, as a leading baseball figure acknowledged yester-

Editor, in Washington the dispute, of television sta-tions paying out about \$400m: a year in rights to show games and, not least, of increasingly impatient fans. Former Yale first base and

The CBS network recently signed a \$1.06bn contract for four years and the cable ESPN

market economy," according to Interfax, which has proved Tokyo market weighed down by nerves

THE Tokyo stock market yesterday suffered its third-big-gest fall as investors succumbed to a new wave of uncertainty about the outlook

for the Japanese yen and for interest rates. The Nikkei index dropped 1,353.20 points to close at 31,263.24, its lowest level for

more than a year. The index has now fallen by almost 20 per cent since hitting an all-time high at the end of The yen hit a three-year low in Tokyo of Y153.80 to the US

dollar. Bond prices slipped fur-ther, pushing the yield on the benchmark government bond to 7.235 per cent.
"The stock market has changed. People are still trying to adapt to the new environment of the 1990s," said Mr Charles Lambert, a salesman

at Jardine Fleming. One Japanese broker said: "We are all so shocked by the sharp fall in shares that we

can hardly say anything."
The authorities tried in vain
to reassure investors with public statements. Mr Ryutaro Hashimoto the Finance Minister, said he was gravely con-cerned about the fall in the

BRAZIL'S financial and stock

markets were virtually paralysed yesterday as perplexed

traders sought urgent guidance on how to implement the coun-

try's drastic anti-inflation plan. The confusion stemmed from

the 220-page package of measures tabled by the new gov-

ernment of President Fernando Collor on Friday.

creation of a floating currency, the cruzeiro, taxes on financial

transactions and the blocking

of depositors' access to an esti-

mated \$100bn in bank and

savings accounts and over-

market reforms

April 27, are expected to come

into effect in October, follow-

ing systems changes.

These largely involve a rebalancing of the rights and

responsibilities of the market's

This would result in a rein-

statement of the obligation for market makers to deal with each other, and for trades to be

published promptly, although

large trades would still not be disclosed for 90 minutes.

The removal of these rules a

year ago prompted concern

from some in the market, par-ticularly US houses, that the

exchange's old guard was

bending the rules unfairly in

night markets.

participants.

Criticism of

Continued from Page 1

se included the effective



Bank of Japan said the central

much of the year, so trading

By Ivo Dawnay in Rio de Janeiro and John Barham in São Paulo

A senior official of the

bank had at the beginning of the year expected a correction in stock market prices but the adjustment had been bigger than expected Japanese fund managers mostly stayed away from the

companies and financial insti-tutions continued to liquidate investment trusts before the

market as they have done for

The liquidity squeeze has

provoked fierce controversy.

with some praising its audacity

and others threatening legal action against the government.

Yesterday, a São Paulo

retailers' association warned that the immediate impact of

the package would be a 75 per cent fall in sales and a deep

Others are more optimistic, with one banker arguing that

markets should settle down

within a week as savers return

tificates of Bank Deposits and

overnight accounts.

alliances."

East German

coalition hitch

Peter Tasker, research manager at Kleinwort Benson International, said that at times yesterday "the market was in free fall." Brokers said the Nikkei was widely expected to fall below

However, some industrial

on Topix, a broad index of more than 1,000 stocks, fell by the maximum daily limit. Reports that two groups of speculative investors were in financial difficulty exacerbated the sense of uncertainty. Mr

Shares in Nippon Telegraph and Telephone, the world's largest company by stock mar-ket valuation, yesterday fell for the first time below their original issue price of Y1.19m, closing at Y1.18m. The price fall is very embarrassing for the Finance Minis-try which handled the privati-

sation of the formerly state-owned company.

Mr Haruo Yamaguchi, presi-dent of NTT, yesterday apolo-gised to shareholders saying: "I am very sorry the share price hit its lowest-ever point. We

Anti-inflation plan baffles Brazil markets detailed information on how the reforms would be implemented was still being received from Brasilia yesterday after-noon, hours after the banks

ed at the end of a threeday holiday. Towards the end of business hours, finance houses and banks were complaining that the Central Bank had still not issued details of how much liquidity would be made available to close or reschedule cli-ent's transactions.

Efforts to establish a value to the cruzeiro, which replaces the cruzado novo, proved fruit-

One report said the currency was being quoted at rates from Crs78 to the US dollar to Crs42 - a range that reflected previous official and free market rates offered for the old cru-zado when markets were open last week. In fact, none of the technically illegal free exchange houses that normally trade the dollar were operat-ing, either for fear of a police

Gold was reported trading a Cre650 a gramme, a fall of 43 per cent against last week. Tight money, iron nerves,

clampdown or because of lack

Continued from Page 1 aim is to overcome confrontation between blocs and to create a European security system to replace the present military

Looking ahead to the first united German election – pos-sibly in 1991 – Mr Kohl said the West German CDU and Christian Social Union (CSU) would have an excellent chance with their sister parties in East Germany. The Bonn Government was ready to talk immediately with the new East Berlin Government about steps

leading to unity.
But he added: "We are not trying to create any artificial pressure of time to accelerate the process of unification."

International concern over unification

ised the West German politicians who openly campaigned in East Germany during the elections. "I did not like it that the West German politicians took a very active part. That was interference," he said. The Soviet spokesman said that the conservative alliance

practical and political implica-tions for the Community would now be intensified.

Mr Helmut Kohl, the West German Chancellor, will have a chance to set out his ideas when he meets Mr Jacques Delors, Commission President, and his fellow Commissioners in Brussels on Friday. Mr Delors is expected to offer his full support and co-operation during the process of unification but he will also hope to receive some clear gesture from Mr Kohl in return, preferably a renewed commitment to European economic and mone-

en, EC External Rela-

EC and that he believes the political co-operation sections of the revised Treaty of Rome require member states to consult each other where foreign

Mr Delors yesterday said in his radio interview that "diffi-cult economic times lie ahead for the Germans". He talked of a period of transition for Germany and its Community partners, comparing the situation twice with the mid 1980s "adhesion" of Spain and Portugal and the special regime installed for agricultural and certain industrial products. A

the task of co-ordinating with Nato on the external aspects of German unification at a highly unusual meeting with Nato tions is to negotiate terms of entry for East Germany into the EC and Nato rapidly enough to avoid an external

weekend elections as some-thing "this alliance has always supported." A senior Nato offi-cial said the technical aspects of absorbing East Germany into the EC were probably more complicated, because they touched on everyday eco-nomic issues, but Nato also ing account of united Ger-

Skubiszewski will tomorrow become the first Polish foreign minister to visit Nato for dis-cussions with Mr Manfred Worner, the Nato secretary gen-

victory showed that the march Eat Germans to decide their own future.

going to re-establish the fron-, day for East Germany and for

A tale of two currencies

The German equity market hit a new peak yesterday, Japan suffered its third worst fall, einst the O-Mark (4 per DM) global bond markets dropped and currencies were all over and currencies were all over the place. It was hardy the ideal background for Mr Major to pencil in any last minute corrections to this afternoon's UK Budget. Does the swing to the right in the East German elections increase or decrease the likelihood of a much stron-per L. Mark over the longer ger D-Mark over the longer term? Can the collapse in the Japanese equity market be ignored? There are no easy answers: but the questions serve to highlight the fact that for all the UK's real domestic problems events oversess are problems, events overseas are just as likely to determine the

success of this year's Budget

strategy.

In one respect, Japan is suffering from a smilar problem to the UK's — official indecision. For more than a month now, the various arms of Japanese officialdom have been bickering about what to do about the discount rate. Today's Japanese morey sm.

Today's Japanese money sup-ply figures are likely to under-line the growing worries on the

line the growing worries on the inflation front; and the delay in raising interest rates has exacted a heavy toll on the currency, which has fallen by more than a third against the D-Mark over the last year. Arguably, a prompter interest rate response might have prevented one of the sharpest declines in the Japanese equity markets for many a year. The fear now is that the authorities will have to over-react to stem

will have to over-react to stem

the yen's slide.
Although the UK's economic

problems are far more severe, the authorities face a similar

sort of exchange rate dilemma

exchange markets, as opposed to the electorate, is so impor-tant in today's Budget.

New chairmen like to stamp their authority on a company.

Mr Bob Horton, who already has a reputation as an axeman, has wasted little time in

attacking the structure of BP. Doubtless all multinationals

bureaucracy and need regular pruning; fashion also tends to

fluctuate between product-led

and regional structures. The danger is that these refocuss-

strategy.

destroy morale and cause the exodus of much-needed, rather than superfluous, staff.

Of course, BP is wise not to rely merely on a rising oil price for profits growth in the 1990s, especially as it faces unspecified but probably hefty environmental expenditure. On top of the \$500m of costs (including last year's exploration cuts) that should be saved in the restructuring the sale of in the restructuring, the sale of Britannic House ought to net £150m-£200m, even in currently depressed property markets. But it may not be easy to spot the savings in the annual accounts, since everyone expects Mr Horton to make a major acquisition, thus starting the whole merry-go-round of reorganisation all over again. What will secure the future of BP is a major oil find, to help replace the Prudhoe Bay and Forties fields but that is comething no

fields; but that is something no amount of internal reorganisa-

sort or exchange rate dilemma. Since the last Budget sterling has been allowed to fall by 11 per cent, which is a major reason why the Government's inflationary forecasts have gone so badly wrong. That is why the vertice of the foreign weekenge markets are discovered. Berisford

On the face of it, the market is scarcely keen on Tate & Lyle taking over Berisford. Yesterday's confirmation of talks led to an 8 per cent fall in Beris-ford's price and a 3 per cent fall in Tate's, or a drop of 582m in combined market value. This was due partly to fresh rumours about the dire condi-tion of Berisland's New York property portfolio. But it was also a rational recognition of the fact that Tate is the one bidder practically guaranteed a reference to the Monopolies

The MMC's findings might be less predictable. The climate may have changed since the Commission's last report in

sible owner of such a valuable national asset as British Sugar. Though the combined business Though the combined business would be a monopoly producer of sugar within the UK, excess production in France should mean that the UK price would still be a function of the EC support price plus the cost of transport across the Channel. The benefit to Tate would thus come not from higher pricing. come not from higher pricing, but from such cost savings as could be derived from packag-

ing and distribution.
It is not clear that Tate could finance such a deal without recourse to shareholders, who would need very specific assurances about the prices to be realised — or paid — for get-ting shot of the rest of Beris-ford. And until the whole New York mess is made clearer, there would be no case for paying any premium at all to yes-terday's price of 134p.

There is something so solid about IMT's progress that it is far from obvious why investors mostly let its shares lag behind those of the UK's other remaining mechanical engineering companies. The most obvious explanation lies in the West Midlands engineer's exposure to the construction products, like copper tubes, for one-fifth of its trading profits. Yet what actually happened last year was that within the 16 per cent rise in IMT's pre-tax profits, to £125m, its building products side hardly suffered at all, as its sales into the buoyant West

German market took up some of the slack from the UK.

Neither was there any slippage in its enviable dividend history, which has been showing a long-term growth rate of 15.5 per cent per annum since the early 1980s. That record strong market positions in niches such as making vending machines for Coca-Cola, and titanium alloys for Rolls-Royce aero engines. And though trading margins overall have already widened, from 7.5 per cent in 1985 to 11.6 per cent last year, there still looks to be room for improvement, flowing from IMI's large capital spend.

The only explanation one can readily hit upon for IMI's low rating, at about 9 times historic earnings on last night's share price of 227p, is that it may not have done enough acquiring. But with balance sheet gearing at only 5.3 per cent, there is no room for questioning its assertion over and the question of whether Berisford is still a sen-

John Major might take a year to cut mortgage rates.

John Charcol can do it in a week.

John Charcol can now offer you a 13.75% mortgage, or a remortgage, fixed at 13.75% (14.8% APR) for twelve months.

14.8% redemption fees of any kind. It's a mortgage which gives you Typical APR the best of both worlds. You get the immediate benefit of an extremely competitive interest rate: but if, as some people expect, rates start to fall next year, you get the benefit of switching into a variable rate as well. In short, it's a mortgage that's ideal whether you're moving

house, or simply wanting to cut your current payments. (Especially, of course, if you're one of those people with an so-slightly cynical attitude towards the things that Chancellors

tend to do in the run-up to general elections.) For written details, call John Charcol, a licensed credit broker, on (01) 589 7080. Or write to us at Mercury House, 195 Knightsbridge, London SW7 1RE



JOHN CHARCOL

The product advertised here is not regulated by the Financial Services Act 1986 and the rules made for the protection of investors by that Act will not apply to it. Credit broker fees may be charged depending on the type of product and credit period, and insurance may also be required. Your home is at risk if you do not keep up repayments on a mortgage or other loan secured on it.

Talk about a better mortgage.

01-589-7080

WORLDWIDE WEATHER

Bankers reported that

had won less than 50 per cent of the vote and would still be forced to form a coalition government, which might take some weeks. "We must wait until the government is formed. This German problem is still going to be discussed, and discussed, and discussed, the European dission's formal welcome for the election outcome belied

a general air of surprise. Community officials acknowledged that the unexofficials pectedly strong showing of the conservative Christian Democrats put the two Germanys on a fast track towards unity and that pressures to work out the

In an interview on French radio, Mr Delors insisted that the European commitment of Mr Kohl "is not in doubt" but nervousness in Brussels

before the Friday meeting reflects deep-rooted anxiety that the pace of European integration is in danger of slowing Friday's meeting will also be an opportunity for Mr Frans Andriessen, EC External Relations Commissioner, to advance the Community's case

for a proper "seat at the table" during negotiations between Bonn and East Berlin. It is no secret, for example, that he considers the "four plus two" formula whereby the two Germanys will sit down to work out the details with the four wartime allies to be an insufficient safeguard for the

policy issues of such magnitude are at stake.

brake on German unity. Nato publicly welcomed the

many's eastern neighbours. To this end, Mr Krzystof

In the US, the White House said the Christian Democrats toward German unification Marlin Fitzwater, President Bush's press secretary, described the elections as an historic occasion, allowing the

In London, Mrs Margaret "technical" solution would be Thatcher, the Prime Minister, needed given that "we are not hailed the elections as a great Tuesday March 20 1990

CAMERON MARKBY HEWITT

Sceptre Court 40 Tower Hill London EC3N 4BB Telephone: 01-702 2345

INSIDE

Simmons brushes up on Street cred



Trying to establish credibility with a sceptical Wall Street, Harold Simmons (left), the Texas investor, turned up in New York this week flanked by his nominees for the board of Lock-heed. "I think I'll make all of us a lot of money," he drawled. His style contrasted sharply with that of Dan Tellep, Lock-

heed's chairman, who had canvassed the same shareholders in his quiet and methodical

Bad news dampens the good Global equity markets were overshadowed but not routed by Japan last week. Tokyo's 5 per cent fall on the week left the FT-Actuaries World Index 1.25 per cent lower; excluding Japan, it would have been 1 per cent higher.
Yet it was a solid week in Europe and a fat Friday on Wall Street, reports William Cochrane.
Back Page

Headline entertainment



For months, newspaper headlines have had little good to say about TVS Entertainment. They have highlighted unex-pected losses at MTM, its US produc

But things are looking up. For the first time, MTM has four series on US networks. Page 31

Looking to the futures

Managed futures funds have become popular in the US. But in the UK, where there is no regulatory structure, such funds have had to be located offshore to take advantage of rising interest in the commodity and financial derivatives markets. Yesterday, however, draft regu-lations were unveiled which could change this. Deborah Hargreaves reports. Page 26

Tax yields a crop of problems



Some wealthy landowners plan to pay the new Custom has been to allow farm employees who live in service houses to do so rent and rates free. With the introduction of the community charge all that will change, however, and ordinary farmers must decide how to deal with the new situation. Page 36

Market Statistics

FT lat bond service

night

rate

ek.

र १८४ १८४

....

London traded options
London tradel options
London tradel options
Money markets
New int. bond issues 44 World commodity prices 44 World stock sold indices 25 LIK dividends announced

31 Kumpulan Guthrie

Companies in this section

Alba	30	Linread
Anglo United	29	Lockheed
Avena	29	Mandarin Oriental
BTR	27	Metalrax
Banca Pop. di Milano		Minorco
Benson Group	28	Mithras Inv Tat
Blue Arrow	29	MoDo
Booker		NSM
Brompton	30	Nobel Industries
CIA Group	30	Northern Star
Canning (W)	28	Norton Company
Carbo	30	Pechiney
City Gate Estates	29	Pernex `
City Realties	24	Pepsi-Cola
Colorgraphic		Really Usetul Group
Easterbrook Alicard	30	Record Holdings
Edinburgh Oil & Gas		Refuge
Evans Halshaw	27	Rugby Group
Ferranti Inti		Runciman (Walter)
Fisher (James)		Salzgitter -
Fleming (Robert)		Scholes
GR (Holdings)		Scott & Robertson
Gaskelf		Sheffield Insulation
Georg Fischer		Sirdar
Guif Resources		Techpach Intl.
Hafslund Nycomed		Turriff_Corp
Heytesbury (UK)	28	Tyne Tees
Hickson inti		Unum Corporation
Inoco		VPI
Invesco MIM		Walker (Thomas)
iardina Matheson	24	Wassall

20 Wilkes (James) Chief price changes yesterday

PRANKFURT	(DM)				1004	_	3 _
Rises Deckel	205	+	15	PARIS (FFr)	100-0	_	• .
RWE	467	+	7.5	Alges			
Senens	805	+	21		1340	+	41.3
Veba	464.7	+	9.5	Pells.			
Falls				CMB Packaging		-	6,7
Beleracion	840	_	22	Ins. Mericux	5560	-	239
Marenhouser Vers				SCOA	32.6	_	23
	845	_	11	Southes Ch.	30f		
MEW YORK (3)			Valoure	408.1	_	166
Risee	-		_	LOKAO (Ass	•		
Germany Fund	1734	+	13	Falls			
UAL	1537	+	113	Alex Kogye	1290	_	330
Falts				Asahi Organic		-	290
Barnett Badks	304		3 ₋	Co-op Chemical			200
Brazil Fund	117	-	14	Fudo Constr.	1020	-	200
Cheviron	694	_	114	Japan Paper Toyo Sugar	1050	_	200
				Toyo Sugar	· 950	_	200
				•			
					•		
LONDON(Per	(O)						
Rices				Lucas lock.	613	_	7
Culness	564	+	4	MEPC .	468 .	-	14
					4		



BP to cut 1,150 office jobs

BRITISH Petroleum expects to save \$500m a year in operating costs over the coming years when the full benefits are realised from Project 1990, a programme announced yesterday to reorganise its corporate headquarters and change management practices.

The savings include not only the 1,150 cuts in central office

jobs announced yesterday but also earlier moves by BP Explora-tion and BP Oil to cut jobs and overheads. The job losses at the central office are expected to result in up to 900 redundancies over the next

year. Attempts will be made to find jobs within the group for

appointed chairman last week, said the programme was not so much a cost-cutting exercise as an effort to improve the manage-ment of BP by reducing complex-ity and changing corporate style. "Corporations which achieve the greatest success will be those which are prepared and able to respond rapidly, flexibly and imaginatively," he said. "We want to put BP into the vanguard." He said BP would face an intercent the said BP wou increasingly dynamic environ-ment in the 1990s, one which

ment in the 1990s, one which demanded flexibility.

The programme will lead to wholesale abolition of central office committees, replacement of central office departments by small, flexible teams, and the decentralisation of investment

authority through BP's four business divisions: exploration and production, oil marketing and refining, chemicals, and nutrition. The broad aim is to simplify and speed up decision processes while vesting greater responsibility with individual managers.

The changes also reinforce the operational supremacy of the operational supremacy of the business divisions, while relegat-

ing regional centres in the US and Europe to non-operational corporate roles. Regional head-quarters in Cleveland, Ohio, and Brussels will focus on strategy and represent the BP group.
Of the job losses, 540 will come in information systems, while 400 will come in maintenance and

leaving staff.
One hundred and sixty jobs

centre which employs 540 staff, while an additional 40 out of 280 jobs will be cut from corporate

services.
Taking into account 300 jobs which will be transferred to the businesses, rather than eliminated, BP's central office staff will be cut by almost 60 per cent to 1,050.

BP is merging the consumer-oriented parts of BP Chemicals and BP Nutrition to form a consumer products division and cre-ate a centre of marketing skill. The group will also appoint a chief financial officer, Mr Steve Ahearns, who will report to Mr David Simon, the chief operating

Index __ 5000

₿ 3000

__ 1000

Equity Warrants 1.1.67=1000 **US\$ Warrants Index**

fer less from the downturn than others. The marketmakers them-selves, meanwhile, are silent about the losses they may have

R obert Fleming is likely to be more severely affected. According to one director, who refused to be named: "Our levels of profitably in the business have been very good. Much of that froth will be coming out of our profit and loss account over the next 18 months or so."

Others may have less of a stake in the market, but still stand to suffer from the downturn. Kleinwort Benson, for instance, has spent two years building the technology and skills to get involved in warrants.
That investment is unlikely to
yield a return for some time to
come. According to Mr Charles
Hoe Williams, joint head of securities: "Obviously these are year difficult conditions. But we are in

here for the long-term."

Baring is likely to be the British house most affected by the downturn in the market. It has grown rapidly on the coat-tails of the Japanese equity market, which accounts for 75 per cent of its income. Staff numbers have shot from 15 to 800 in less than six years, and Mr Heath, whose

salary passed £2.5m in 1987, has

become one of the UK's most highly-paid executives.

Much of the group's success is

Niikkei Average

due to its early entry to the war-rants business in 1985. Its strat-egy has been to use its cashflow from Tokyo to diversify into Hong Kong and the other emerg-ing markets of South East Asia, having entered both Singapore and Thailand within the last year. It has also dipped a toe into continental European equities. However, it claims that there is life beyond warrants. According to Mr Heath, for the fleet of foot there are always new and profit-able products to be developed and sold.

After warrants, he says, will come stock options, and synthetic instruments stitched together out of derivatives. "It's a very fast-moving game," he says. There are some in London who claim the Japanese equity war-rant has a strong future. They argue that such a massive market could not disappear over-night, even though the excesses of the bull market have passed. But all agree that the bonanza years are over, and that this par-ticular stream of income, on which many other parts of securities houses' operations have depended, is unlikely to flow as fast again for some time. Market report, Page 36 26

Pechiney purchases **TPI** for FFr1.45bn

By William Dawkins in Paris

PECHINEY International, the packaging subsidiary of the French state-owned aluminium French state-owned aluminium company, is to pay FFr1.45bn (\$253m) for Techpack International (TPI), a leading producer of luxury packaging for perfumes and cosmetics.

This is Pechiney's first significant step into the luxury goods

industry and an unusual mixture of management buy-out and out-side bid. It is believed by both sides to be among the first take-overs of this kind in France.

overs of this kind in France.

Eurocom, the advertising and public relations group, is selling its 62 per cent stake in TPI as part of its strategy to focus on core businesses. Pechiney, meanwhile, has been keen to increase its exposure to the sector since becoming the world's largest packaging company with the 1988 takeover of America National Can. The purchase price represents 28 times TPI's earnings last year, the latest sign of ings last year, the latest sign of the increasing value of indepen-dent packaging companies in an industry where the top players are fighting harder than ever for

market share.
Initially, Pechiney will buy all of TPI's shares. It will then of TPI's shares. It will then resell 17 per cent to the management, 44 per cent to LBO France, the Paris-based buy-out specialist, and keep 39 per cent. TPI's management already owns 7 per cent of the group. It chose Pechiney in preference to rival offers from CMB Packaging, the Anglo-French group, and Alusuisse of Switzerland.

TPI, which made a FFr60m net profit on sales of FFI.1hm last

profit on sales of FFr1.1bn last year, is a leader in the FFr7bn US and European market for cosmetics and perfume packaging. It claims to be the largest producer of boxes, mascara cases and pots in those markets. Main customers include l'Oréal and Estée Lauder, Procter & Gamble, Unilever, LVMH and Guerlain. uniever, LVMM and Gueriam.
After the initial purchase,
TPI's capital will be restructured, with between FFr350m
and FFr500m of equity — the
exact figure is to be decided in
the next few weeks. The balance
of the acquisition price will be
transformed into TPI debt

Whatever the final structure the group will end up highly leveraged with a significant like a typical management buy-out but with a big difference Pechiney will be the largest single shareholder. LBO France's 44 per cent stake will go into buy-out funds held mainly by institutional investors. Background, Page 20

some employees. Mr Robert Horton, who was Tokyo bears break a golden honey pot

Richard Waters on Japanese equity warrants in retreat

offered magnified profits as equi-

onered magnined proms as equities have risen.

And they have been popular – very popular – with the securities industry. Underwriting and trading warrant issues has been among the most profitable businesses around – so much so that when the former is a security.

when the financial years of Japan's four biggest securities houses close at the end of this

month, about a quarter of their gargantuan profits will have come from warrants. For the rest,

hile most of London's securities markets have yielded little in the way of profits for securities firms investors in Japan, who have been attracted during Tokyo's prolonged bull market to a geared instrument which has recently, in one corner it has been possible to earn a more than comfortable living: the market

for Japanese equity warrants.

The golden days of this market now appear to be over — with potentially far-reaching implications for a number of securities firms that have thrived there in recent years. This raises ques-tions, in particular, for those non-Japanese firms which have been using their bloated margins from warrants business to subsidise their less profitable

operations.

Equity warrant issues are low-coupon bonds with warrants attached which give the right to buy a company's shares at a given price in three, four or five years' time. They have been popular with Japanese borrowers, who have been able to raise funds cheaply by issuing dollar-denominated warrants in London (they cannot do this in Tokyo) and then swanping info yen.

As long as this opportunity exists, borrowers are likely to continue to use London—although the Tokyo authorities have been concerned about the risks to which Japanese investors risks to which Japanese investors are exposed by dealing in the off-shore market. Their response, a requirement for all trades carried out during Japanese business hours to be channelled through the Japan Bond Trading Co, is unlikely of itself to cause much

come from warrants. For the rest, the crumbs that fall from the Japanese houses' tables are still enough to provide a good living, and certainly have provided a better husiness than chasing around for business in the over-crowded UK equity market.

Trading margins have been high, in spite of the size of the market — an average of 2 per cent, according to one estimate, or ten times the margin a firm might expect in other markets of comparable size.

t has been a prediable grave train, with many riders: US investment banks, princi-lly Morgan Stanley, Salomon pally Morgan Stanley, Salomon and Goldman Sachs; British merchant banks Baring Securities and Robert Fieming, which were among the first into the market in the mid 1980s and so established a strong foothold; and others, including Barclays de Zoete Wedd, James Capel and, more recently Kleinwart Barson damage to the London market.

Japanese equity warrants have recently Kleinwort Benson.

None of those in the market also been popular with investors, in recent years particularly retail disclose their earnings, but all speak of the enormous wealth

generated last year as the Tokyo market soared and new issue business reached \$70bn.

"It beats fiddling around in ICI to get a small commission off the Pru," says Mr Diarmid Kelly of Baring Securities in London. Bar-

ing's profits more than doubled last year to £65.9m (\$107m) thanks largely, say competitors, to the warrants business. The slide in Japanese share prices has knocked the momentum out of the market almost overnight. New issues business

in London is now projected to reach less than a third of last year's peak, forcing further redundancies in the industry. Speaking just ahead of the current downturn, Mr Christopher Heath, managing director of Bar-ing Securities, predicted that the warrants market boom had another two or three years to run. Things have moved on faster

than he expected.

One important result has been a sharp fall in the underwriting commissions earned by Japanese securities houses in /London.

Daiwa, the second biggest, estimates that commissions have believed across leave years. halved since last year. Securities firms in London

were yesterday sounding philo-sophical about the sudden reversonnical about the sudden rever-sal. According to Mr James Fer-gusson, a deputy chairman of James Capel, an agency broker in warrants: "One by one the honey-pots are disappearing. This was one of the largest and last. But we didn't believe it could just carry on for ever."

Capel which last year man-Capel, which last year managed to scrape into profit after

two tough years, reckons that not being a marketmaker, it will suf-

Condor makes offer for UAL

By Anatole Kaletsky in New York

Wall Street corporate restructur-ing specialist. Condor, UAL's largest shareholder, made the

offer in conjunction with three unions representing United's main employee groups.

The unions — covering pilots, machinists and flight attendants have agreed to significant con-tract concessions, and to legally binding no-strike clauses as part of the proposed deal.

After the takeover, the airline

would be restructured as the largest employee-owned company in the US, with workers controlling 75 per cent of the equity through an Employee Stock Ownership Plan. The other 25 per cent of the equity would remain in the hands of UAL's present share-

Under Condor's proposal each share of UAL would be exchanged for \$150 in cash, plus debentures. In addition, each shareholder would receive one

UAL, the parent company of United Airlines, yesterday received a hid worth over \$175 a share from Condor Partners, the Wall-Street corporate restructure.

Wall-Street corporate restructure continue 25 per cent of UAL's chairman Mr Stephen constitute 25 per cent of UAL's chairma The other 75 per cent would be owned by the ESOP, which would raise bank borrowings to make the \$150 a share cash payments

to the old shareholders of UAL. Mr Paul Tierney, a general partner of Condor, said a bank partner of Condor, said a bank syndicate was being put together to finance the cash element of the offer, although no commitments had been issued yet. He said he did not anticipate any difficulty in finalising the financing, provided Condor and the unions could win the support of 50 per cent of UAL's shareholders for their ulsn.

50 per cent of UAL's shareholders for their plan.

This is formally being submitted as part of a proxy battle to oust 'UAL's board at the company's next general meeting on April 26. After replacing the hoard with their own nomines, the unions and Condor would be able to complete the bay out in a able to complete the buy-out in a matter of months, according to

Wolf. "The board has attempted to act in good faith, but they have been hindered by the bad chemistry between Steve Wolf

and the unions," he said.

Mr Tierney also indicated that
Condor's main interest in the offer was to recoup a "good price" on the UAL shares they already owned. The average acquisition price of Condor's 12 per cent stake was about \$160 a share, he said. The bid announced yesterday

bore some resemblances to the some some resembances to the \$300 a share or \$6.5m offer pres-ented last year by the company's management and pilots' union. However, several critical differ-ences encouraged hopes that this bid might succeed despite the disastrous collapse of the initial offer. The most important differ-ence was simply the price. Even the most enthusiastic takeover speculators on Wall Street agreed in retrospect that last year's \$300 a share offer was absurdly over-

MIDLAND MONTAGU ASSET MANAGEMENT THE SPECIALIST **INVESTMENT MANAGERS**

AN INSTITUTION WHICH PROVIDES FRESH IDEAS AND NEW SOLUTIONS FOR THE INVESTMENT PORTFOLIOS OF OTHER **MAJOR INSTITUTIONS**

Midland Montagu Asset Management 10 Lower Thames Street, London EC3R 6AE



Midland Montagu Asset Management is the institutional investment management arm of Midland Group. A member of IMRO.

Mr Tierney. Mr Tierney confirmed the presshare of non-voting common Tate haggles with Berisford

By Ctay Harris, Consumer Industries Editor

International yesterday were jockeying for advantange after confirming their mutual interest in finding acceptable terms for a merger which would create a UK

monopoly producer of sugar.

The two companies have been discussing a possible combination for several months, initially on narrow commercial grounds. The subsequent emergence of problem investments at Beris-ford, which owns British Sugar,

has altered the context.

Berisford's troubles have given
Tate, the world's largest sweeteners group, an unexpected second
chance to buy control of the beet

TATE & LYLE and Beristord in 1966, along with a rival offer by Ferruzzi of Italy, was blocked by the Monopoles and Mergers

Tate, a came refiner, believes the political climate is now more conductive to its argument that the sugar market has to be considered on a European basis. It argues that the threat of imports would inhibit over-charging. Could a Tate Berisford merger

avoid a Monopolies referral? "I can't imagine it — I believe it's got to be referred," Mr David Lang of Henderson Crosthwaite said yesterday. He noted, however, that the previous report left chance to buy control of the beet open the possibility that a processor which dominates the UK sugar market. An initial bid under certain conditions.

With their courtship now public, the two companies yesterday

were haggling over the dowry.

Tate, headed by Mr Neil Shaw,
said it would have to be "satisfied as to the value and status of Berisford's non-sugar interests' before it made any offer. It has begun an independent investiga-tion of these investments.

The statement helped to send Berisford shares 11p lower to

134p to value the company at 5545m. British Sugar on its own could be worth more than Albn. Tate's shares also suffered, losing 90 to 282p because of concernabout a possible rights issue and about exposure to Berisford's troubled peripheral activities. Lex, Page 24

Role-Royce
Royce Royce
Royce Insce.
Southern Water
South West Wit.
Sail. Charlened
Tam & Lyfe
Victors
Water Play. 183 458 140 158 543 262 - 11 9 - 11 - 10 9 - 50

INTERNATIONAL COMPANIES AND FINANCE

Former Pepsi-Cola chief dies

By Anatole Kaletsky in New York

MR WALTER S Mack, who made Pepsi-Cola into the world's second-biggest selling soft drink, died in New York on Sunday at the age of 94. Mr Mack became the first president of the reorganised Pepsi-Cola company in 1938 after it was spun off from a New York sweets manufac-turer, Loft's Inc. At the time the company's main business was selling syrup to soda foun-tains, rather than bottled soft drinks directly to the custom-

It had been bankrupted by its North Carolina founder and its trademark had bounced around Wall Street several times in deals which were the 1920s precursors to leveraged buy-outs. Mr Mack's key innovation was to sell Pepsi in bot-Cola's containers for the same five cent price. In the austerity of the Depression this half-price marketing approach proved an instant success.

After stepping down as president in 1951, he ran the Neddent in 1851, he ran the Neu-ick's hot dog chain. In 1978, at age 82, he launched King Cola, but his company. King Cola, was forced to file for bank-ruptcy, after failing to break the oligopoly controlled by Coca-Cola and Pepsi.

Pechiney wraps up Techpack deal KKR buys

William Dawkins on a packaging group's move into new territory

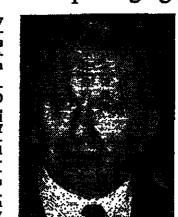
he latest acquisition by Pechiney, the aluminium producer which is also the world's largest packaging group, takes the French company into new territory.

No sooner did Pechiney complete the FFr1.45bn (\$253m) takeover, unveiled yesterday, for Techpack International (TPI), the leading producer of packaging for up-market cos-metics, than it plans to sell back a heaty slice of the com-pany to its management, leav-ing the aluminium giant as large minority shareholder. Never before has Pechiney run a takeover on these lines, very unusual across the French corporate scene.

TPTs executives demanded a TPT's executives demanded a significant share stake in their FFr1.1bn turnover group as a condition of the deal. The fact that they got their way, with the blessing of Eurocom, the advertising and public relations group which owns most of TPI, says much about the more open management think-ing to have crept into France's

top boardrooms recently.
"We were not just going senselessly for 100 per cent control. The basic motivation is to have a motivated management that participates in the ownership," said Mr Lean-Lous Vinciguerra, Pechiney's finance director.

Mr Alain Chevassus, TPTs chairman, added: "We wanted



Jean Gandois: planning to remain big in packaging

to preserve two magic words; identity and future develop-ment – things we have fought hard to preserve over the

Pechiney International, the subsidiary which embraces the group's packaging interests and which is making the acquisition, will end up with 39 per cent of TPI, making it in prin-ciple the deciding shareholder, and TPI's managers will have 17 per cent, enough to let them block decisions they do not

The remaining 44 per cent will go to LBO France, the buy-out specialist which drew up this plan for what it called an unusual example of an

"industrial management buy-out." LBO France will be parcelling out its stake among institutional shareholders in

its buy-out funds.
However as is the way with new methods of doing things, this has its risks. Analysts were yesterday sceptical whether Pechiney is paying too much – around 26 times last year's earnings — for a com-pany over which it will not have total control, at least for the first four years, after which either side can sell out if cir-

cumstances change.
Mr Vinciguerra said TPTs
net profits were forecast to rise from FFr60m last year to FFr70m in 1990, bringing the p/ e down to more like 20. Also the cash recouped from the resale of TPI shares would eventually reduce the cash out-lay to less than FFr1bn,

depending on how much capital the partners agreed should be put into the new TPI.

Nobody can measure the value to Pechiney of having won TPI against competition from CMB Packaging, the Anglo-French group formed two years ago from the marger of Carnaud and Metal Box, and Alusuisse of Switzerland.

Apart from depriving com-petitors of market share, TPI's attraction to Pechiney is to give the group its first real exposure to the luxury goods industry, where TPI's main customers are l'Oréal, Estéc Lauder, Moët Hennessey-Louis Vuitton and Guerlain, in a market worth an estimated FF:7bn in Europe and the US.

osmetics packaging sales are growing twice as fast - up to 8 per cent - as the products alone, due to growing demand for high-quality packages, Mr Chevassus said.

This continues the strategy behind Pechiney's takeover of America National Can (ANC) America Camousi Can Carvey, more than a year ago, as a result of which the group now makes more than 36 per cent of its sales — FFr32bn out of FFr87.5bn last year — in pack-

Mr Jean Gandois, Pechiney's chairman, said the purpose of staying big in packaging was to counterpalance the group's exposure to aluminium price changes, for packaging profits margins should rise as the price of aluminium falls.

price of aluminium falls.

TPI's main raw material is plastic, so its role is different. The move continues Pechiney's general diversification in into packaging, which is being criticised for being cosity, just as the ANC deal was at the time. Subsequently ANC has looked better value for Pechiney. Only time will tell if Mr Gamdois' team have made the right judgment for TPI.

Drexel's **RJR** stake

KOHLBERG Kravis Roberts. the buy-out specialist, has bought a 3.8 per cent stake in RJB Nabisco from Drexel Burnham Lambert for \$51m.

This transaction brings KKR's stake in RJB Nabisco, which it taxes.

which it took private a year ago for \$250m, to 58 per cent. Drexel advised KEE on the leveraged buy-out and was the lead underwriter on \$50m of bond sales used to finance the deal. Dresse's equity position in BJR was built up in the course of underwriting the bonds.

A Drexal spokesman said that the KKR price was a good one. The purchase price of Drexal's stake was the same as the cost of BJE shares at the time of the leveraged buy-out and values BJE at \$1.28bn. The spokesman could not con-firm whether Drexel had sold any other equity stakes in companies since its parent company filed for protection from its creditors under Chapter 11 of US bankraptcy law last month.

last month.

KKR bought the stake from
Drexel with cash from the
same buy-out partnership
which originally invested in
the HJR deel.

BJR Nabisco reported a loss
in 1969 of \$1.15bm, against a
\$1.4bm set profit in 1988.

Minorco wins ruling to do business in US

By Kenneth Gooding, Mining Correspondent

that Minorco's South African links should have no bearing on its ability to do business in

The decision is important for Minorco, the Luxembourg-quoted investment company which is 60 per cent comed by the Anglo American-De Beers group of South Africa, because its \$3.5bn bid for Consolidated Gold Fields of the UK foundered last year in the US courts.

As a result of the Gold
Fields' decision it was widely
assumed that the US would be
"off limits" to Minorco because the company would face a battle in the courts about its South African parentage should it attempt a takeover

there.
This did indeed happen over an agreed \$705m offer for
the Freeport McMoRan Gold company. Asarco, the US copper company, complained to the court last week that Minorco's South African connections would imperil \$5.5m of US government funding towards an experimental cop-per project at Santa Cruz, Ari-

A NEW YORK judge has ruled zona, in which Asarco is that Minorco's South African involved with Freeport Gold. However, New York Supreme Court Judge Myriam Altman, dismissed Asarco's application for a preliminary injunction restraining Freeport McMoRan selling the gold

company to Minorco.

She said the claim was
"speculative" and added:
"There is no indication at this time that the joint venture would lose its government funding because South Afri-cans own a controlling interest

in Minorco. Minorco expects to complete the acquisition of Freeport Gold on Friday which will bring it closer to achieving its objective of becoming a significant international natural

resources group.
It will still have about \$1.8bn left in its cash chest for more acquisitions and some analysts suggest Minorco aims to build on the Freeport deal to become a substantial gold producer in North America. That would not have been possible if there had been an adverse decision in the New York court.

Pemex sales rise sharply as value of exports leaps

By Richard Johns in Mexico City

SALES of Petroleos Mexicanos (Pemex), the state oil corporation, rose sharply last year.
The group saw sales advance by more than 30 per cent in 1989 to 35,440.6bn pesos (\$13.39bn at the year-end

(\$13.39bn at the year-end exchange rate) compared with the previous year.

The increase was largely due to a rise in the value of exports. These were worth 18,629bn pesos, an advance of nearly 40 per cent over the level recorded for 1988, in spite of a decline in the volume of of a decline in the volume of

Pemer had already announced that in dollar terms its crude oil sales last year

brought in foreign exchange earnings of \$7.28bn, against \$5.84bn in 1968. Exports declined by 2.2 per cent from 1.3m barrels a day to 1.27m b/d because of increasing domestic demand. At the same time Pemex recorded a deficit in its trade in petroleum products of 299,889hn pesos, after

generating a surplus of 208,579bn in 1988. Reflecting the steep increase

in domestic consumption and the inability of Pemex's refining capacity to meet demand, imports of gasoline rose from just under 6,000 b/d in 1988 to 77,360 at a cost of 258,473.1bn amounted to 190,459 b/d worth
356,055bn pesos, up 17 per cent
over the previous year.
Altogether Pemex contributed 29,418bn pesos to the Min-

istry of Finance in taxes, a rise in real terms of about 5 per cent over the 1983 level. At a ceremony held at Minatitlan in the state of Vera Cruz Mr Francisco Rochas, director-general of Pemex, said its payments to the Government amounted to 31 per cent of federal revenue.

The corporation, which has age of investment funds, was allowed to retain 11,049.6bn

pesos of its tax liabilities, a 6 per cent fall in real terms.

US. \$100,000,000



Arab Banking Corporation (B.S.C.)

Floating Rate Notes Due 1996

87/8% per annum

Interest Period

20th March 1990 20th September 1990

Interest Amount per U.S. \$10,000 Note due

20th September 1990 U.S. \$453.61

Credit Suisse First Boston Limited

US. \$150,000,000



MARINE MIDLAND BANKS, INC.

Floating Rate Subordinated Notes Due 2009

Interest Rate

83/4% per annum

Interest Period

Interest Amount due

per U.S. \$10,000 Note per U.S. \$50,000 Note 20th June 1990 U.S.\$ 223.61

U.S. \$1,118.06

20th March 1990

Credit Suisse First Boston Limited **Agent Bank**

NATIONAL BANK OF HUNGARY US\$200,000,000

Floating Rate Notes Due 2000

(Coupon No. 10)

Pursuant to Note conditions, notice is hereby given that for the interest period 19th March 1990 to 17th September 1990 (182 days), an interest rate of 9 per cent, per annum, will apply. Amount per coupon (No. 10) = US\$455.00 Payable on the 17th September 1990





THE LONG-TERM CREDIT BANK OF JAPAN, LTD. London Branch



New openings in Europe. Which way will the real estate market go?

With barriers of all kinds being removed throughout Europe, the real estate market is already seeing a dramatic increase in international activity.

At its simplest, the creation of the single European market should enable international players to purchase, let and sell real estate in any EEC country according to the same rules.

The Healey & Baker view, however, is that the situation is considerably more complicated.

1992 will not instantly bring common rules. Any serious occupier or investor should be working closely with real estate consultants who have both impeccable local knowledge and a truly international perspective.

In the words of James Hollington of Healey & Baker:

"Having recently commissioned a major survey on location selection in Europe, I believe we have a deeper insight Into the real effects of a changing Europe than any of our competitors."

To find out more, contact James Hollington at 29 St George Street, Hanover Square, London W1A 3BG or by telephone on +44 1 629 9292. The Healey & Baker view could dramatically change the way you look at real estate.

HEALEY & BAKER

Amsjeform : Playseld - Chianel Islands, Barrelong - Charge - London - Madrid - New York - Parix Corner

INTERNATIONAL COMPANIES AND FINANCE

decline in armaments

By John Burton in Stockholm

MARCH:

ins rulin

ise sharp

NOBEL Industries, the Swedish armaments to chemicals conglomerate, yesterday reported a 33 per cent rise in profits after financial items to SKr1.24bn (\$202m) in 1989 from SKr934m, exceeding its forecast of SKr1.1bn.

The board proposed raising the dividend to SKr4 per share from SKr3.25 and offered a bonus issue of one new share for each old share.

Earnings after extraordinary items amounted to SKr1.68bn, reflecting the sale of assets in Gamlastaden, an investment company, prior to its bourse introduction. Turnover introduction. Turnover increased by 3.5 per cent to SKr22bn from SKr21.5bn.
Bofors, the armaments divi-

sion, the group's second largest business area with SKr5.6bn in business area with SKr5.6hn in sales, reported a 21 per cent fall in profit to SKr214m due to restricted defence spending in Sweden and declining export orders. Bosors plans to sack 500 employees by mid-1990, following the dismissal of another 1 200 workers lest war.

DUFTS | 1300 workers last year.

The pharmaceutical chemicals and explosives division also reported a profit drop of 43 per cent to SKr36m. The remaining business areas showed steady or improved earnings. The adhesives and paints sector remained the group's biggest and most prof-itable division with SKr6.6bn ings at SKr405m.

Georg Fischer advances 46%

GEORG Fischer, the Swiss machinery maker, boosted group net profit by 46 per cent last year to SFr73m (\$48.7m) from SFr50m the year before, writes Our Financial

It plans a dividend SFr50 a bearer share, up from SFr40 registered share and participa-tion certificate, up from SFr8. Group sales increased 12 per cent to 2.5bn.

Fischer also plans a rights issue, raising its capital by a nominal SFr25m.

33% despite nearly quadruple as orders hit record

By Our Financial Staff

SALZGITTER, the West transferred to the West Ger-German steel and engineering man government, the previous, group which was acquired last owner of Salzgitter. The hal-year by Preussag, nearly qua-drupled 1988-89 group net prof-company reserves.

Orders in hand by the end of its to a record DM340m (\$200.5m) from DM90m a year earlier, with most of the rise coming from steel produc-

Salzgitter's annual report for the year ended September said all divisions were in good shape and business had continned on a positive note in the first months of the current

financial year.

Profits from domestic steel trading and scrap steel trading were satisfactory, while earnings from the industrial plant division, environmental tech-nology and engineering ser-vices rose from 1987/88. It did not specify the profits.

Salzgitter's parent company net profit rose by DM140m to DM203m, with the distributable profit rising to DM254m. The management board will propose to the annual shareholders' meeting that DM51m be companies and the organization of this year, but he could no provide details of the plan.

Preussag took control of Salzgitter on October 1 1989.

Orders in hand by the end of 1988-89 reached a new record at DM8.9bn, 24 per cent higher than at the same time the year before. All divisions had high order levels, especially ship-building which has orders lasting to 1995. Salzgitter said group net

profit in the current year should at least reach last year's DM340m.
Mr Ernst Pieper, management board chairman, said he did not expect business in the current year to be worse than in the year ended September 30

management board of Salzgit-ter and Preussag had been working on fusing the two companies since the beginning of this year, but he could not provide details of the plan. Preussag took control of

Hafslund plans disposal

unit, to Norway's Ila and Lilleby group, a privately-owned producer of ferro-silicon based in Trondheim, writes Karen Fossli in Oslo.

The sale has been expected, as it would allow Hafslund to concentrate on its promred_around X-ray contrast

HAFSLUND Nycomed, increased its operating profit: Norway's second largest publicly quoted company, has signed a letter of intent to sell Hafslund Metall, its metals two partners in the Festi two partners in the Fesil group, an international metals marketing company.

The disposal would include a ferro-silicon production plant

in Skjeberg, southern Norway; a 30 per cent stake in Rana Metall, a newly established fero concentrate on its prom-sing medical business, cent-ed around X-ray contrast nedia. In 1989 Hafslund Metall round its production and trading com-pany.

LVMH denies reports

MANAGEMENT of LVMH, Moet Hennessy-Louis Vuitton, responding to a report that the French luxury group plans soon to double its 12 per cent stake in Guinness, accused Mr Henry Racamier, chairman of Louis Vuitton, of spreading "falsehoods" about "secret agreements," AP-DJ reports.

LVMH said it "categorically LVMH said it "categorically denies any secret accord between Guinness" and LVMH. Guinness and LVMH have a cross-shareholding accord under which LVMH has the right to increase its holding in Guinness to up to 24 per cent. LVMH said no decision has been made on this outlor. been made on this option.

8%, warns of slack year ahead

By John Burton

MODO, Sweden's third largest MODO, Sweden's third largest pulp and paper company, yesterday reported that profits after financial items rose by 8 per cent to Skr 1.7hn (\$276.9m) in 1988, but it warned of declining earnings in 1990. It proposed that the dividend be increased to SKr12 per share from SKr10. from SKr10.

Echoing forecasts made by other Swedish forestry con-cerns, Mr Bernt Lof, president, said climbing production costs in Sweden and a weaker market for fine paper, newsprint and pulp would result in lower

profits this year.

He noted that demand was already falling in the last few months of 1989. But the market for sawed timber and paperboard, MoDo's other product areas, remains bright, product areas, remains bright, he added. Turnover fell by 4 per cent to SKr18.7bn after the sale of

to SKr18. The after the sale of the consumer products division Holmen Hygiene to Metsa-Seria of Finland last March. MoDo's pulp division, MoDo Cellkraft, saw operating profits climb by 40 per cent to SKr1.4bn on sales of SKr5bn. Hs. paperboard division, Iggesand Paperboard division, Iggesand Paperboard, reported a profit rise of 24 per cent to SKr3.5mn on sales of SKr3.5hn. Newsprint and fine paper divisions suffered falls in profits because of over-capacity. MoDo's debt load, which grew in the late 1980s when it acquired Iggesund and Holmen, was reduced by SKr1.5bn to SKr6.4bn due to the sale of Holmen Hygiene and its interest in Duni, another paper

est in Duni, another paper

Hersant buys into Grupo 16

MR ROBERT Hersant, the French media magnate, has bought 15 per cent of Grupo 16, one of Spain's largest newspaper publishers, and 35 per cent of Diario 16, Grupo 16's main daily newspaper, writes Peter Bruce in Madrid. Mr Hersant reached agreement with Grupo 16 last week, following his hostile bid for 32 per cent of the Spanish group's holding company last year.

Nobel rises | Salzgitter earnings | MoDo rises | Battle of styles to win Lockheed

Roderick Oram on contenders for control of the US aerospace group

rying to establish his credibility with a sceptical Wall Street, Mr Harold Simmons, the Texas investor, turned up in New York last week flanked by a dozen or so of his nominees for the board of Lockheed, the US

aerospace group.

"A lot of you don't know who I am or what I done," he drawled to analysis and institutional investors. To help enlighten a later press confer-ence, aides plastered the room with large logos of companies he controls. With a total mar-ket capitalisation of \$2.8bn their businesses range from sugar and lumber to chemicals and oilfield services.

The one common thread, Mr Simmons said, was that he had no knowledge of those troubled companies when he bought companies when he had still pul-into them, yet he had still pul-led off speciacular turmounds to the benefit of shareholders. If he wins control of Lockheed's board at its March 29 annual meeting, "I think I'll make all of us a lot of money." In contrasting style, Mr Dan Tellep, Lockheed's chairman since last autumn, had canvassed the same shareholders a

few days earlier. An acclaimed missile engineer and 34-year Lockheed veteran, he came with a couple of key colleagues to lay out in his quiet way the year-old recov-ery plan which he believes will return Lockheed to respectable profits this year. With analysts hard pressed

to find much substantive difference between the two men's vision for Lockheed, style is an ssue in the fight.

Mr Simmons, under investi-gation by the Securities and

strategic skills and tough management techniques can shake up Lockheed's entrenched management. A victory would help establish proxy fights as the takeover tactic of the 1990s,

His true aim is simpler and more personal, many on Wall Street still believe. He wants to peel himself away from Lock-heed at a profit. He has built up a 19 per cent stake in Lock-heed which "is about all I want to risk" on the company, he told the New York gathering. But he is showing a paper loss of some \$100m on the investment because the share price has plunged in the wake of Mr Tellep's restructuring

programme.
So far though, Wall Street has failed to rise to Mr Simmons promise of better management, Lockheed's stock has barely budged from the 52-week low of \$33% it hit shortly before Mr Simmons announced his proxy fight. At lunchtime yesterday it was trading at \$35%.

Some of Lockheed's prob-lems are its own and oth-ers are shared with the defence industry. Deriving three-quarters of its revenues from government contracts, it is fighting for its share of a shrinking defence pie.

Several of its big white

opes such as the Advanced Tactical Fighter are threatened with the axe. Its revenues fell to \$9.89bn last year from a high of \$11.08bn in 1987. Its order backlog is down to around

\$700 from over \$9.500.

In common with other defence companies it has taken a bath on fixed price contracts. Exchange Commission for Last year it wrote off \$490m of some of his Lockheed activities, says only his superior five programmes it had seri-

ously misjudged, particularly a new anti-submarine aircraft. The charges helped knock its net profit down to \$2m from

\$624m a year earlier.

Mr Teliep says the write-offs and cost cutting measures will allow Lockheed to make healthy profits in coming years from its defence contracts which earned \$714m last year before the charges.

He feels frustrated by Lockheed's image as an aircraft builder since it derives half its revenues and 60 per cent of its profits from missiles and other space programmes, areas it believes will keep it busy and profitable in the 1990s. Aircraft, though, present Lock-heed with some of its head-aches and, it believes, some of its opportunities.

Lockheed's long and hugely profitable programme to build C-5B heavy military cargo air-craft ended last year. More-over, McDonnell Douglas recently dropped it as the wings subcontractor for the new C-17 military transport aircraft. Mr Tellep says he was happy to give up the \$1hn of work a year because Lockheed could not make money on it.

Seeking more civilian aircraft work, Lockheed is trying

to build up an aircraft conversion business and bid for more subcontract work, most nota-bly from Boeing. But Lockheed is not yet cost competitive on commercial work after years of high military overheads, ana-lysts and civil contractors say.

Mr Tellep says that is not true. "If there's a difference in cost it's not because of our pro-ductivity but because of com-plying with military regula-tions."

Mr Simmons says Lockheed should concentrate on its core defence businesses, such as

Martin, his chief operating officer, seem to have scant knowledge of the aircraft opportunities, particularly on the civilian side, but anyway con-sider Lockheed should minimise its efforts in the sector.

He is also highly critical of Lockheed's diversification efforts in technology services and electronics, two areas which Lockheed has tied up about half its assets with minimal return. If he could not turn them round quickly, he would sell them. Certainly Lockheed's pur-chase in the mid-1980s of Sanders, an electronics group, still looks a poor bet, and Lockheed paid \$1.2bn, or 1.4 times its

Mr Tellep says the newly consolidated electronics operations, some of which had been working at only 20 per cent capacity, should become much more profitable. They and other activities outside military aerospace are crucial to his strategy of reducing the government's share of Lockheed's business to about 65 per cent in the next four or five

years, he says.

Overall, Mr Simmons' plan comes down to scything costs and wringing maximum profits from Lockheed's core but flat military businesses. Mr Tellep is offering shareholders the same rigorous cost control plus the hope of some growth along

non-military avenues.

Some 120 institutional investors hold 45 per cent of Lockheed's stock. Mr Simmons needs to win 51 per cent of the vote to get his slate elected. But as the meeting nears in a Lockheed aircraft hangar at Burbank, he still faces an uphill battle.

Banca Populare seeks KPMG asset freeze

THE simmering row between Banca Populare di Milano, one of Italy's biggest co-operative banks, and KPMG Peat Mar-wick Fides, the Italian partnership of the international accountancy and consulting group, broke out into full war yesterday with the bank's deci-sion to seek a court order freezing the assets of KPMG's Ital-

The friction between the two sides centres on Istituto Milanese Leasing (IML), a small leasing company in which the bank bought a 57 per cent stake for L27.5bn (\$22m) in

IML's accounts, did not realise that its assets were overstated by as much as L85bn. Meanwhile, IML's parent company went into receivership last year and is now being liquidated.

And the second second

The second secon

KPMG declined to comment

on the bank's latest move, which it said it had only dis-covered through the press. The November 1988.

Banca Populare now claims that KPMG, which audited covered through the press. The firm was consulting its law-yers, and would respond accordingly thereafter, said an official. A court is due to start

hearings on the dispute on April 2

The latest salvo follows a bitter row last month, when the bank, which is run by Mr Piero Schlesinger, a tough ex-lawyer, made a legal claim for L120bn in damages against KPMG. The sum represented compensation for the overstated assets and loss of the bank's standing, it said.

22.22 MANDARIN ORIENTAL

- Profit after taxation
- +12.7%
- Earnings per share
- + 9.2% Dividends per share + 14.7%

*Mandarin Oriental again achieved record profit and earnin per share in 1989, despite the difficult conditions prevaili in several of our markets during the second half of the yea Our properties in Hong Kong and Macau have achieved reasonable levels of occupancy in the first few months of 1990, and business in the Philippines is showing signs of recovery. Prospects for tourism and business travel in the

of the Asia-Pacific region generally remain good for grand luxe hotels. While the Group's leading profit earners in Hong Kong must expect to be under some pressure in 1990, your Board is confident of a satisfactory overall outcome for SIMON KESWICK, Chairman

Hong Kong, 19th March 1990 The Registers of Members will be closed from 21st to 25th May 1990 inclusive to identify those shareholders entitled to the proposed final dividend of HK30.28 per share, which will, subject to approval at the Annual General Meeting to be held on 4th June 1990, be payable on 11th June 1990.

Mandarin Oriental International Limited Incorporated in Bermuda with limited liability
281 Gloucester Road, Causeway Bay, Hong Kong
Telephone: 895 9288 Telex: 86767 MOHG HX Facsimile: 895 5202

1393 KR20112	<u> </u>		
		Year Ender	
	1989	1988	1989
	HK\$m	HK\$m	US\$m
Turnover	958.8	917.2	122.8
Profit after taxation and minority			
interest	392.8	348.6	50.2
Extraordinary item	≟	48.2	_
Profit attributable to	•		
shareholders	392.8	396.8	50.2
	HK\$	HK\$	US\$
Earnings per share	0.58	0.53	0.08
Dividends per share	0.39	0.34	0.05
Net asset value	· · ·		
per share	7.79	7.62	1.00

MANDARIN ORIENTAL

THE WORLD'S FINEST HOTELS

Canadian Pacific Limited

The state of the s

THE REPORT OF THE PARTY OF THE

anadian Pacific Limited had a final net income for 1989 of \$745.2 million, or \$2.35 per Ordinary share. compared with \$820.1 million, or \$2.65 per share, in 1988. Income from continuing operations was \$664.6 million, or \$2.09 per Ordinary share, compared with \$683.9 million. or \$2.21 per share, in 1988.

For the fourth quarter, net income was \$190.7 million. or 60 cents per Ordinary share, in 1989 compared with \$206.6 million, or 65 cents per share, in 1988. Income from continuing operations was \$188.2 million, or 59 cents per share, compared with \$144.4 million, or 45 cents per share. in the fourth quarter of 1988.

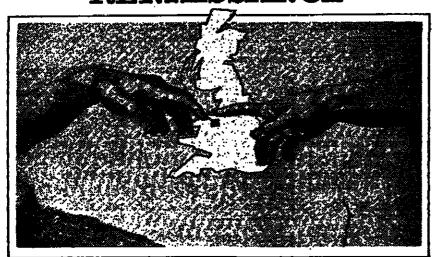
Consolidated				
Transportation and Waste Services Energy Forest Products Real Estate and Hotels Telecommunications and Manufacturing	1989 \$ 41.3 28,6 29.5 88.3 0.5	Quarter 1988 \$ 36.7 22.2 85.5 9.1 10.9	121 1959 \$ 110.1 139.2 175.4 160.8 79.1	forths 1988 \$ 213.3 122.5 259.6 102.3 (13.8)
Income from continuing operations Discontinued Operations	188.2 2.5	144.4 82.2	664.6 80.6	683.9 136.2
Net income	\$ 190.7	\$ 206.6	\$ 745.2	\$ 820.1
Average number of shares outstanding (millions)	317.8	316.0	317.3	309.1
Earnings per Ordinary share income from continuing operations Net income	\$ 0.59 \$ 0.60	\$ 0.45 \$ 0.65	\$ 2.09 \$ 2.35	\$ 2.21 \$ 2.65

Consolidated revenues from continuing operations, after elimination of inter-company transactions, were \$11,020.2 million in 1989 compared with \$10,926.4 million in 1988. Revenues from continuing operations in the fourth quarter were \$2,903.4 million in 1989 compared with \$2,736.4 million in 1988.

Lower railway freight traffic, the stronger Canadian dollar and weak newsprint markets were the major reasons for the decline in net income. The results also reflect special charges taken by Soo Line Corporation, offset by nonrecurring gains elsewhere. Income from the energy and real estate and hotels sectors and from AMCA International Limited improved and the company benefited from a full year of earnings from Laidlaw Inc.

Wrexham

THE BEST LOCATION FOR YOUR BUSINESS RENAISSANCE



At Wrexham we've created the environment nfrastructure and incentives that modern

- es demand like Easy access to major markets
- First rate industrial relations
- Weigh Development Agency, British Coal terprise and British Steel Industries a Which is why so many international compan
- like Kellogg's, Vossen GmbH, Hoya Lens UK Lkd, Lego and Sharp settled on Wrexham. Get the full picture by returning our coupon or, iternatively, call Bob Dutton, Des Jones or Joyce Spaven on (0978) 290444. Telex 617033 WMBC AG. Fex (0978) 290091.

Wrexham

To the Chaef Executive Officer, The Guildhell, Wrexham, LL11 IAY, Clwyd, North Wales, U.K. I would like to know mo

Company Address

tain's High-Tech DEVELOPMENT AREA

INTERNATIONAL COMPANIES AND FINANCE

Stemming the flight of finance from Caribbean

Canute James on the West Indies capital market

he central banks in three Caribbean states have agreed to establish a fund to cover the first 18 months of the operations of a regional capital market being created by members of the Caribbean Economic Commu-

The capital market is being started by Trinidad and Tobago, Jamaica and Barbados, the three of the 13 commu-nity members which have national stock exchange

national stock exchanges.

Regional central hankers, who have been given the responsibility for drafting the rules which will govern the operations of the capital market, have concluded that there is need for a fund of at least \$11m to cover net transfers in the first 18 months.

The funds are needed to overcome one large problem in the creation of a Caribbean capital market. Cross-border settlements between the members of Caricom would be almost impossible because of the exchange controls main-tained by the region's finan-cially-strapped countries. Consequently the central bankers have proposed that a viable start to the new capital market can be made only if the funds are set aside by Trinidad and Tobago and Jamaica,

which will put up \$5m each,

with Barbados contributing \$1m. "These figures represent an estimate of the pool of resources which would allow for trading." Mr Fernando de Peralto, deputy governor of the Central Bank of Jamaica, said. "The figures do not represent "The figures do not represent the likely value of total trade. Settlements would be on a net basis, meaning that credit and debit positions would be recon-

ciled at agreed periods."

The creation of the regional capital market was approved nine months ago by Caricom's heads of government. The facility is regarded by some prime ministers as being beneficial to efforts to integrate the community's economies and assist in establishing a regional common market by 1998.

The Caricom governments also concluded that a capital market would increase foreign exchange and investment flow and that the facility would establish a basis for transactions equities, bonds, debentures, options and futures. capital market was approved

tures, options and futures.

These new business opportunities, regional bankers argue, will offer alternatives for investment and stem capital flight which has been the bane of many Caribbean economies. The first concrete step in the establishment of the regional capital market is likely to be the cross-listing of shares on

the three existing stock markets. The bankers drafting the struc-ture of the regional market have proposed that each participating country establishes a clearing house which would ensure that each vendor is paid

ensure that each ventor is paid in local currency.

But getting around the exchange control regulations is only one of the problems which has to be resolved before it can function effectively.

There are regulations which limit the ability of foreigners to hold stocks and other prop-

to hold stocks and other prop-erty in some countries. The Trinidad and Tobago govern-ment recently introduced legis-lation to relax restrictions against foreigners holding property. There are also dispar-ities in company law in the members of Caricom, with no common regulations to cover mergers and takeovers, andif-ing and accounting and finan-cial information disclosure. cial information disclosure.

The proposal for the regional capital market has received support from the private sector, which will run it, although it will be some time before the other members of the Caribbean community become involved. Regional business leaders say me way of involved. leaders say one way of involv-ing countries without national stock markets is to allow the listing of companies based in

IMI boosts income by 16% despite UK inflationary pressure

By Richard Tomkins, Midlands Correspondent

bucked the downturn in Britain's domestic economy and delivered a 16 per cent increase in pre-tax profits to £125.3m (\$208.6m)for 1989.

The increase marked a deceleration from the 24 per cent profits increase at the half-way. stage but was achieved in the face of inflationary pressures and high interest rates that are

afflicting much of Britain's manufacturing industry.

Mr Gary Allen, managing director, said the main reason for IMI's ability to keep profits growing was its expansion in overseas markets which now accounted for 53 per cent of

group sales.
Turnover passed the £1bn mark for the first time in 1989, rising 20 per cent from £902m to £1.08bn, and earnings per share were 14 per cent ahead at 25.2p. A final dividend of 5.7p is

25.20. A final diviness of 3.7p is recommended, making 9.5p, compared with 8.15p last year. The biggest profits contribu-tion came from the fluid power

IMI, the UK metals group that now specialises in building products, drinks dispensing equipment and fluid power, industry. This turned in tradindustry. This turned in trad-ing profits of £35.9m, against

229.9m last year. Mr Allen said disappointing results in the UK and a sec-ond-half softening in the US were outwelghed by particu-larly strong demand on the Continent. A new manufacturing complex is being built near

Stuttgart. Next biggest contribution came from the building products division, which makes plumbing and heating fittings for the building trade. This turned in trading prof-its of \$25.5m, against \$22.9m

last year, with strong overseas sales and buoyant demand in Britain's industrial and commercial sector more than out-weighing the weakness of the UK housing market. Sir Eric Pountain, chairman, said no one could be immune

to a deteriorating climate, but with balance sheet gearing at barely 5 per cent and the group's international spread, he was confident of progress.

Dresdner links with Meiji

DRESDNER Bank, West Germany's second largest financial institution, is step-ping up co-operation with Meiji Mutual Life of Japan, writes Katharine Campbell in Frank-

Meifi, which is the country's fourth largest life insurance company with assets of Y8.2trn

(\$53.8bn) and premium income of Y2.19trn at the end of March 1989, hopes to tap into the asset management skills of Drescher within the European market, while the German bank wants to expand its pro-file in Japan and the rest of South East Asia through the

Koito 1.4m shares offer

KOITO Manufacturing is to offer 1.4m shares prior to the opening of trading on the Tokyo Stock Exchange today in a move aimed at increasing the number of its shareholders. The measure is designed to be a continuous continuous and its affiliates, will be offered at Y3,030, or 2.25 per centiower than Monday's closing price. in order to comply with listing requirements, Kyodo reports from Tokyo.

The TSE said each sub-

scriber would be allowed to purchase up to 1,000 shares. The shares, released by sub-

The measure is designed to keep Koito listed on the first section since the company would be transferred to the second section unless it raises the number of its shareholders to at least the 3,400 required for first-section listing.

THE AMSTRAD PCW9512 WITH FREE SHEETFEEDER. PRINTS PAGE AFTER PAGE AFTER PAGE.



The Amstrad PCW9512 is the UK's top selling word processor.

But that's not really surprising.

It has 512K Ram of memory. (Which is enough wordpower for even the most avid letter writer.) And the complete package comes with a keyboard, monitor, daisywheel printer, 1Mb disk drive (unformatted) and all the software you need.

But there was one slight drawback. Until now the printer would only accept one sheet of paper at a time. (A little annoying if you have to print a long document.)

That's why until 31st May 1990 we're giving away a free sheetfeeder with all new PCW9512s.

Because it takes up to 30 pages at a time before reloading, it makes printing a long document much easier.

So much easier in fact, that some people may get a little carried away.

Name	
Company	<u> </u>
Company	
Postcode	AUCTOA
Tel	77 9000

For further information and your local stockist send the coupon to Amstrad plc, PO Box 462, Brentwood, Essex CM i4 4EF or Phone 0277 262326 or Fax 0277 200573.

As we grow, so does our concern for the

Environment

SOLVAY

☐ second largest Belgian company
☐ ranks among the top chemical companies in the world

☐ turnover of 254 thousand million Belgian francs 300 plants and branches located in 32 countries, 17 of which are in Europe

employs 44,300 people worldwide, of which 3,300 are involved in research ☐ five sectors: alkalis, peroxygens, plastics, processing

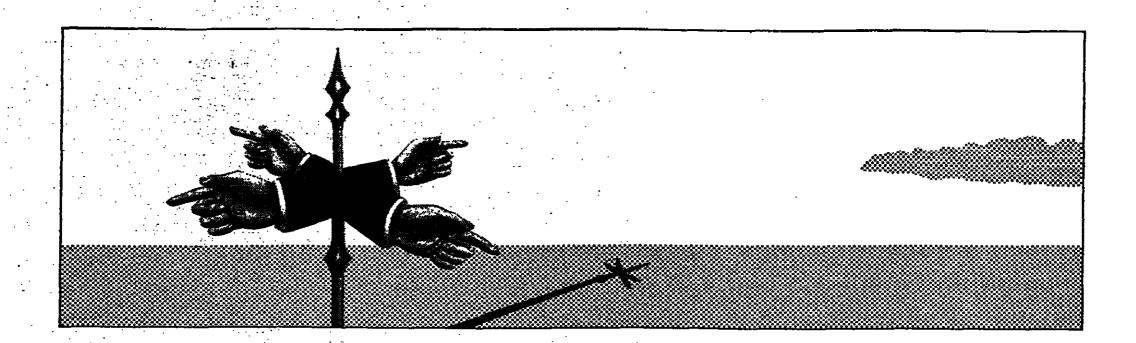
the philosophy guiding Solvay is to focus the company's efforts on a limited number of activities in which it has

broad technological and commercial knowledge

SOLVAY & Cie Rue du Prince Albert 33 -1050 Bruxelles - TEL 02/509 61 11

NOTICE OF	1990 ANN	UAL MEET	NG OF SE	TAREHOL	DERS
the 1996 Annual I SICAV will be held offices of Bengae following purposes:		reholders of Ali amenbourg time amenbourg, 14	anco Interneti CO Wednesdi CO Aldring	ozal Health (ty, March 25, m, Luxembou	Care Fund, 1990 at the

Limited period offer, RRP of Amstrad ASF9512 Sheet Feeder £99 + VAT (£113.85 inc VAT), RRP of PCW9512 £499 + VAT (£573.85 inc. VAT). Prices correct at 1.3.90 but may change without notice, Products Amstrad is a registered trademark of Amstrad pic @ 1990 Amstrad pic. All rights reserve ANNILABLE AT PARTICIPATING BRANCHES OF REGISTERED AMSTRAD DEALERS, SEE YELLOW PAGES FOR YOUR LOCAL SYCCKIST



Today, a bank should be able to show you opportunity anywhere in the world.

It's clear which way the wind blows today. All signs point to more and more transactions that cross borders.

Yet where do the best opportunities lie?

Bankers Trust can show you.

Among the international clients with whom we have forged solid relationships, we number many with specific merger or divestiture needs. Needs which might well prove a perfect fit with yours.

Bankers Trust's ability to advise them or you on crossborder transactions is widely recognised. As are our skills at arranging the most intricate forms of financing.

Our American roots give us broad, first-hand knowledge of the U.S. corporate world. But with our strong presence in Europe, Japan and Australia, we are equally at home in these worlds, too.

With that in mind, bear this in mind: Today, few banks can show you more international opportunity than we can.

Bankers Trust Company

Because today isn't yesterday.

London: 1 Appold Street, Broadgate, London EC2A 2HE New York: 280 Park Avenue, New York, NY 10017 Tokyo: 2-1, Marunouchi 2-chome, Chiyoda-Ku, Tokyo 100 Member of TSA

despite l

shares of

w, so does

nmei VAY

VOLKSWAGEN

Aktiengesellschaft

Wolfsburg

Stock Index Nos. 766 400/766 403

Rights Issue to Shareholders

In accordance with paragraph 4 section 4 of the Articles of Association, the Board of Management resolved on 12th February, 1990, with the approval of the Supervisory Board, to increase the share capital of the Company from DM 1,500,000,000 by DM 150,000,000 to DM 1,650,000,000 by the issue of new ordinary bearer shares of DM 50 each (nominal value). Holders of the new ordinary shares will be catilded to the dividend for the fiscal year 1990. The new shares are offered by a bank syndicate managed by Dresdner Bank AG, Deutsche Bank AG, Commerzhank AG and Goldman Sachs International Limited to shareholders for subscription on the basis of one for ten and at the subscription price of DM 440 for each new share of DM 50 (nominal value).

The capital increase was registered in the commercial register on 9th March, 1990. Accordingly, the Company invites shareholders to exercise their subscription right during the period from 26th March to 9th April, 1990 (inclusive) against surrender of dividend coupon No. 28 of the old ordinary shares and dividend coupon No. 3 of the non-voting preference shares. A combination of dividend coupons of old ordinary shares and preference shares is possible. The following German and foreign banks have been appointed as subscription agents:—

in Austria:

Bank für Arbeit und Wirtschaft Aktiengesellschaft; Creditanstalt-Bankverein; Girozentrale und Bank der österreichischen Spurkassen Aktiengesellschaft; Österreichische Länderbank Aktiengesellschaft; Raiffeisen Zentralbank Österreich Aktiengesellschaft; Schoeller & Co. Bank Aktiengesellschaft;

in Belgium: Ranque Bruxelles Lambert S.A.; Générale de Banque S.A.; Kredietbank N.V.;

in Great Britain: Goldman Sachs International Limited; Credit Suisse First Boston Limited; Daiwa Europe Limited; Shearson Lehman Hutton International, Inc.; S.G. Warburg Securities;

in Italy: Ranca Commerciale Italiana;

in Luxembourg: Banque Internationale à Luxembourg S.A.;

in Spain: Banco Bilbao Vizcaya S.A.;

in Switzerland: Schweizerische Bankeesellschaft; Schweizerische Kreditanstalt; Schweizerischer Bankver

For every ten ordinary shares and/or preference shares of DM 50 each (nominal value), one new ordinary share DM 50 (nominal value) may be subscribed at a subscription price of DM 440, free of stock exchange humover. The subscription price has to be paid upon the exercise of the subscription right so later than 9th April, 1990.

Subscription rights will be traded and officially quoted on the stock exchanges in Hanover, Berlin, Bremen, Dusseldorf, Frankfurt, Hamburg, Munich and Stuttgart during the period from 20th March to 5th April, 1990. The subscription rights will not be listed on The Stock Exchange in London but can be traded under Rule 535.4. The subscription agents are prepared to arrange stock exchange purchases and sales of subscription rights (Stock Index No. 766 408) on a best efforts basis. Commencing from the beginning of the subscription period, the old ordinary shares and preference shares will be traded "ex subscription right".

A bank fee will be charged on the subscription unless such subscription is effected against delivery of the dividend coupons at the counter of a subscription agent during the usual business hours and does not entail any further correspondence.

The new ordinary shares will be represented by global bearer share certificates deposited with the Kassenverein clearing system. Subscribers will be credited for their shares in a collective securities account with their depository bank. It is not intended to print new share certificates because a sufficient number of printed certificates for old ordinary shares of the Company is available. Delivery of individual share certificates may not be requested until after the annual meeting of shareholders of the Company, scheduled to take place on 19th July, 1990. The new shares will have Stock Index No. 766 401.

The new ordinary shares are admitted to trading with official quotation on all German stock exchanges. The new ordinary shares are to be listed on the stock exchanges in Amsterdam, Antwerp, Basie, Brussels, Geneva, London, Lonembourg, Paris, Tokyo, Vienna and Zurich.

Procedure in the United Kingdom:

Shareholders in the United Kingdom wishing to subscribe for the new shares must lodge dividend coapou No. 28 of the old ordinary shares and dividend coupou No. 3 of the non-voting preference shares together with a relevant lodgement form during the subscription period, 26th March to 9th April, 1990 (inclusive), at the office of the Company's London Paying and Listing Agent, where lodgement forms are available:—

S.G. Warburg & Co. Ltd.
Paying Agency, 2 Finsbury Avenue, London EC2M 2PA or at the offices of the U.E. Subscription Agents to the share capital increase mentioned above on business days between 10.00 am and 3.30 pm. Payment must be made in full on application. Temporary Receipts will be issued.

nsi Coupon

CITIBANCO

Subscribers withing to make payment in Sterling should agree the applicable rate of exchange with their respec-

Shareholders wishing to subscribe for new shares should obtain a copy of the listing particulars from the office of the London Paying and Listing Agent.

Wolfsburg, March 1990

Neither the new ordinary shares nor the rights to subscribe therefor have been registered under the United States Securities Act of 1933 and neither the new ordinary shares nor the rights to subscribe therefor are being offered or may be offered, sold or delivered, directly or indirectly, in the United States of America, its territories or its possessions (the "United States"), or to or for the account of actionals or residents of the United States, except under limited circumstances.

CANON INC

Advice has been received from Tokya that the 89th Ordinary General Mesting of Shareholders of the Company will be held at the Head Office of the Company, 30-2 Shimomorulus 3-Chome, Ohto-Ku, Tokyo, at 9 a.m. on Thuraday, 29th March, 1991.

Matters to be Reported

Report on the business report, bulance sheet and statement of income and retained earnings for the 89th business term (from January Lst, 1989 to December 31 st, 1989).

Matters to be Resolved

Approval of the profit appropriation plan for the 89th business term.

Bith business term.
Holders of Depositary Receipts of Becarer (EDR's and BDR's) wishing to exercise their voting rights in respect of the Shores represented by the Beceipts held by them are reminded that, in accordance with Clause 8 of the Conditions, they must ladge their Receipts with HBI Samuel Bonk Limited by 3 p.m. 22nd March 1990, or with one of the sab-agents by 3 p.m. 20th March 1990, where ladgement forms are available. Voting Rights may only be surcised to respect of Depository Receipts representing Ordinary shares on the register as at 31st December 1989.

Hill Samuel Bank Linsited,

Copies of the full text of the Notice

45 Beech Street, London EC2P 2LX.

NBD BANCORP, INC. US\$100,000,000 Floating Rate Subordinated Notes due 2005

Notice is hereby given that for the interest period 20th March, 1990 to 20th June, 1990 the interest rate has been fixed at 8½%. Interest payable on 20th June, 1990 will amount to US\$222,10 per US\$10,000 Note.

Agent Bank: Morgan Gescenty Trust Company of New York London

COMALCO FINANCE LIMITED

US\$189,000,900

Notice is hereby given that for the interest period 20th March, 1990 to 20th June, 1990 the interest rate has been fixed at 8.5 %. Interest payable on 20th June, 1990 will amount to US\$218.82 per US\$10,000 Note.

Agent Bank: Morgan Generaty Trust Company of New York Landon

BAWAG

BANK FÜR ARBEIT UND WIRTSCHAFT A.G.

U.S.\$75,000,000

ated Floating Rate Notes due 1990 ce with the terms and conditions of the above Notes notice is hereby given that the Rate of Interest has been fixed at 9.0% per annum and that the interest payable on the relevant interest Payment Date, September 20, 1990 against Coupon No. 16 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$460.00.

March 20, 1990, London

By: Cribank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

U.S. \$125,000,000

U.S. \$100,000,000

BBL (Cayman) Limited

Guaranteed Floating Rate Notes Due 2000

Unconditionally guaranteed by

Bangkok Bank Limited

(Incorporated with limited liability in the Kingdom of Thalland)
Nation is hereby given that the interest payable on the relevant interest Payers
April 17, 1990 for the period October 16, 1989 to April 17, 1990 against
No. 10 in respect of US\$10,000 nominal of the Notes will be US\$430.81.

March 20, 1990, London By: Citibank, N.A. (CSSI Dept.), Agent Bank



Oil and Natural Gas Commission

Guaranteed Floating Rate Notes Due 1996 Unconditionally and irrevocably guaranteed as to payment of principal and interest by

India Acting by its Preside

Interest Rate

8.9375% per annum

Interest Period

19th March 1990 19th September 1990

U.S. \$456.81

Interest Amount per U.S. \$10,000 Note due 19th September 1990

Credit Suisse First Boston Limited

Agent Bank



£75,000,000 Subordinated Floating rate notes due 2004

Notice is hereby given that the notes will bear interest at 15º/sc% per annum from 19 March 1990 to 19 June 1990. Interest payable on 19 June 1990 will amount to 5395.41 per \$10,000 note

Agent: Morgan Guaranty Trust Company

JPMorgan

LAMSON MARDON GROUP

NOTICE is hereby given that the Annual General Meeting of Lawson Mardon Group Limited with the held at the London Hunt and Country Club, London, Ontario, Canada, on May 16th, 1990 at 10.00 a.m. The record date for the closing of the shareholder register in respect of the said meeting is March 27, 1990.

By Order of the Board of Directors

J. B. Laneway Chief Financial Officer

THE RURAL AND INDUSTRIES BANK OF WESTERN AUSTRALIA

Issue of U.S. \$300,000,000 **Undated Floating Rate Notes**

Exchangeable into Dated Floating Rate Notes of which U.S. \$200,000,000 is being issued as the Initial

8.85% per annum

Interest Period

19th March 1990 19th September 1990

Tranche

Interest Amount due 19th September 1990 per U.S. \$10,000,00 Note U.S. \$250,000,00 Note

U.S. \$ 452.33

U.S. \$11,308.33 Credit Suisse First Boston Limited

Agent Bank

BUSINESS SOFTWARE

A selection of software packages to suit your business needs appears every Saturday

the WEEKEND FT.

Order your copy today.

INTERNATIONAL COMPANIES AND FINANCE

Mandarin silent on Accor as net profits rise 13%

By Angus Foster in Hong Kong

MANDARIN ORIENTAL, the Hong Kong listed luxury hotel arm of the Jardine Matheson empire, yesterday reported a 13 per cent increase in net profits to HK\$392.8m (US\$50m) in 1989 as a slowdown in local operations was made up by strong performances from the group's other hotels in

Turnover gained 4.5 per cent to HK\$958.8m. Mandarin is rec-ommending a final dividend of 28 cents per share which, com-bined with the interim dividend of 11 cents, makes a total distribution for the year of 39 cents, up from 84 cents last But the company kept up its official silence on any future relationship with Accor, the French hotel group which claims to control 10 per cent of

Mandarin's shares.
Mr Robert Riley, managing director of Mandarin, refused to discuss Accor's stake-building except to say the two sides have not been in contact. Mandarin is 46 per cent controlled by Jardine Strategic Holdings, in turn controlled by the Keswick family.

Accor says it does not want to buy Mandarin but might be

to buy Mandarin but might be interested in working together as part of the French group's expansion plans into Asia. Mandarin's results, which were in the middle of market

merchant banking joint ven-ture between Robert Fleming

of London and Jardine Mathe

son of Hong Kong, yesterday announced a 46 per cent rise in net profits to HK\$525m (US\$67.2m) in 1989.

The company gave no break-down of the profits growth. But the group's fund management

business, which increased funds under management by 50 per cent to US\$8bn last year, is

thought to have been the main

contributor with much of the

new money coming from

By Angus Foster

expectations, came despite a marked slowdown in the Hong Kong tourism and hotel industries after the crisis in Peking

The company's two wholly

LO DEAL CLEARED

MR VINCENT LO, a prominent Hong Kong businessman, yes-terday succeeded in his plan to take his last listed company private when he won the agreement of 99 per cent of minority shareholders in Shui on (Contractors), a small con-struction company, writes Angus Foster. Shul On Group, the 75 per cent controlling shareholder, was one of the first companies in Hong Kong to grow dislinationed with the stock market last year and was taken private in October. Several others tried to follow, some were frustrated by rebel minority shareholders.

owned Hong Kong hotels, including the Mandarin Orien-tal, the flagship, are likely to come under further pressure this year as three luxury hotels

open in the colony. But after a strong start to the year all the group's eight hotels saw improved turnover in 1989, according to Mr Riley, who took over running the

Taiwan boosts Jardine Fleming

operations, menting its newly opened securities venture in Indonesia, were helped by the strong gains posted by most stock markets in the region. The company's joint venture in Thailand did particularly well, Jardine Fleming said.

Despite the slowdown in Hong Kong, Mr Alan Smith, managing director, said fee

income from corporate finance

work also improved last year,

mainly thanks to the group's

regional business.
Jardine Fleming, which has just celebrated its 20th anni-

versary, said the results repre-sented a return on sharehold-

group last year after the resignation of Mr Peter Tyrie. Profits from Hong Kong and Macao, where the group has a

Macso, where the group has a 50 per cent share in the Macso Mandarin, made up 73 per cent of pre-tax profit, slightly lower that the 76 per cent last year.

Although the company gave no breakdowns on individual hotels, the Oriental Bangkok, Mandarin's 45 per cent carried Mandarin's 45 per cent owned hotel in Thailand, is thought to have had an excellent year, with average occupancies of 90 per cent or more. Mr Riley said The Oriental in Singapore was

helped by what was described as a remarkable turnround in the island state's hotel industry.
But occupancy at the company's hotel in the Philippines was adversely affected by the December coup attempt and business at the Mandarin Oriental Hotel in San Francisco, where the group has the man-agement contract, was inter-rupted by last year's earth-

Mandarin is involved in joint ventures to build luxury hotels in New Delhi, India, and Kuala Lumpur in Malaysia. The company also has a small equity share of a plan to redevelop a small hotel in Macao and Mandarin is also looking for a site for a hotel in Chiang Mai in Northern Thalland, Mr Riley

kong and Shanghai Banking

Corporation, is buying a 25 per cent stake in a securities firm

in Thailand in its latest step

expanding into Asia. Wardley is buying the stake

in Cathay Trust Company and the companies said they would

offer a range of corporate finance and broking services. According to unaudited figures

Cathay Trust has total assets of US\$130.8m, Wardley

Earlier this year Wardley set

up a joint venture securities and corporate finance business

in Indonesia and the company

said it now hopes to move into

Star's loss in year may · WI

NORTHERN STAR, which controls the core stations in one of Australia's three trou-bled commercial television networks, yesterday reported an interim loss of A\$35.5m (US\$26.9m) and said it expected to lose A\$90m to A\$100m for the year, as previously proj-

The company, which includes Thames Television and Associated Newspapers of the UK as shareholders, owns

Ten network. The results are the first since Broadcom, headed by Mr Steve Cosser, acquired control last September, when the West-field group decided to get out of television after taking more than A\$500m in losses. As part of the deal other stations in

The change means Northern Star's results are not strictly comparable with those of the previous corresponding six nonths, which showed a profit of A\$26.6m on unchanged reve-

nues of A\$206m. But they visibly underscore the financial difficulties the company continues to face, along with its main competi-

results, Northern Star said its loss before interest was A\$4.7m. but interest charges of A\$30.8m arising from the 1987

Asset sales, cost reductions and staff rationalisation had

Northern Star said the Ten network had achieved improved ratings in the Sydney and Melbourne markets and saw an opportunity to achieve an increase in advertising share as a result of the 1990 round of negotiations with

While the Hong Kong stock market slumbered during the second half of last year, Jar-dine Fleming's other Asian ers' funds of 67 per cent. • Wardley, the merchant banking subsidiary of Hong-Kumpulan Guthrie

JARDINE FLEMING, the operations, including its newly

falls 29% pre-tax By Lim Slong Hoon in Kuala Lumpur

Guthrie, Malaysia's largest plantation group, reported a sharp fall in profits for the year to Decem-

Poor commodity prices drove down pre-tax profit by 29 per cent to 156m ringgit (\$57.7m) despite a turnover increase of 13 per cent to 910m ringgit.

13 per cent to 910m ringgit.

The pre-tax profit level is also below its 183m ringgit forecast made last year when the group was floated. It sold 10 per cent of its shares for 210m ringgit. Market capitalisation has since remained the same at 2.1bm ringgit. The Malaysian Government took control of the UK-based Couth. control of the UK-based Guth-

rie group in 1961. The following year, the plantation assets were transferred to Kumpulan Guthrie under the state-owned Permodalan Nasional, a Malay unit trust which has kept its equity control since the state of the stat

Kumpulan Guthrie now has more than 120,000 hectares of

rubber, oil palm and cocoa crops in Malaysia, and another 7,500 hectares in Liberia. Net earnings per share fell to 7.4 cents from 12.3 cents. The group recommended a final dividend of 7 sen a share compared with 11.5 sen in 1988.

Profitability at Highlands & Lowlands. Kummulan Gotheric's rubber

Profitability at Highlands & Lowlands, Kumpulan Guthrie's publicly quoted and largest subsidiary, also fell but less sharply than for the overall group. Pre-tax profit declined by 10 per cent to 71m ringgit, but sales leapt 53 per cent to 255m ringgit.

but sales leant 55 per cent to 255m ringgit. Profit after tax dropped 11 per cent to 42m ringgit. How-ever, an extraordinary gain of 12m ringgit lifted the final profit by 3 per cent to 55m

ringgit.
Earnings per share fell by nearly 2 cents to 14 cents. Annual total dividends, net of tax, emounted to 39m ringgit. The group recommended a final dividend of 12.5 cents a share.

Court dismisses petition against Zelas Enterprises

By Terry Hall in Wellington

THE NEW ZEALAND High Court yesterday dismissed a Securities Commission application seeking the forfeiture of NZ\$56m (US\$33m) worth of shares held by Zelas Enter-

prises, a shelf company.

The commission argued that Zelas was merely a front for Gulf Resources and Chemicals of the US. Inoco of the UK is a big shareholder in Gulf

Resources.

The decision clears the way for a shareholders' meeting today to approve the issue to Gulf Resources of 230m shares, equal to 70 per cent of the capital of City Realties, a property company, in return for 25 New Zealand properties worth NZ2260m.

The three-day hearing related to the adequacy of dis-closures made on the beneficial ownership of 100m City Realties shares bought by Zelas. The commission argued that Gulf Resources failed last Octo-

ber properly to disclose a "relevant interest" in the shares as required by the Securities Amendment Act 1988. The hearing was told that at times Zelas had funding arrangements provided by Gulf

Resources and Mr Paul McGoldrick a former vice pres-ident of Merrill Lynch. Gulf

Resources refinanced a NZ\$2m

deposit initially provided by Mr McGoldrick and provided a NZ\$16.7m instalment on the NZ\$56m total price being paid to Tower Corporation, from which the City Realties shares

were being acquired.

Mr McGoldrick, who lives in
Christchurch, is a brother-in-law of Mr Peter Whittaker, the co-owner of Zelas.
The court was told he had a
long-standing business relationship with Mr David Rowland, the British businessman who, through Inoco, has the largest shareholding in Gulf Resources. Gulf has been redirecting its activities into prop-

in his judgement Mr Justice McGechan said that explana-tions sought by the commis-sion last year had yielded only cryptic answers. However, he declined to rule whether reasonable suspicion on its own was sufficient to invoke the commission's claim for forfelture. He said there were no reasonable grounds to suspect non-compliance.

He refused an application for a new trial and admission of fresh evidence relating to the credibility of Mr Rowland's testimony because of the urgency of the hearing ahead of today's extraordinary shareholders'

FT-CITY

LONDON

17 April-4 June, 1990 Arranged by the

BUSINESS SCHOOL

This training course provides an ideal opportunity for new recruits to learn at first hand about the main activities of the City and how the

amongst those giving presentations:

Association of British Insurers Bank of England Barclays de Zoete Wedd Capital

> Citibank NA **Deutsche Bank** Libra Bank pic

NCL Investments Limited Quilter Goodison Company Robert Fleming & Company Ltd **Schroder Ventures Limited** Securities and Investments Board Standard Chartered Bank

The Independent Union Discount Company of London plc 3i plc (Investors in Industry)

hit A\$100m By Chris Sherwell in Sydney

metropolitan stations in Sydney, Melbourne and Brisbane which are part of the Channel

Adelaide, Perth and Canberra were sold off.

tors - Channel Nine and Channel Seven. In a statement on the acquisition of the network's stations pushed the operating loss to A\$35.5m.

been completed, it said, and trading performance was in line with a previous full-year forecast of between A\$90m and A\$100m — meaning a second-haif less of between A\$55m and

Taiwan as part of its growth strategy for South East Asia.

COURSE

FINANCIAL TIMES CITY UNIVERSITY

The FT-City Course comprises eight weekly afternoon sessions, starting on 17 April, 1990.

various markets function. The following organisations will be

Markets Limited Building Societies Association (The)

LIFFE Lloyds Trade and Project Finance Limited

For information please return this advertisement, together with your business card, to: Financial Times Conference Organisation 126 Jermyn Street, London SWIY 4UJ Telechone: 01-925 2323 Telex; 27347 FTCONF G Telefax: 01-925 2125

FINANCIAL TIMES TUESDAY MARCH 20 1990

German bonds tumble on fears over monetary union

INTERNATIONAL CAPITAL MARKETS

ACCOUNT OF THE PARTY OF THE PAR IN WEST Germany, the government bond market reacted strangely to the results of the election in East Ger many. After a strong opening amid rumours of Far Eastern buying, the bund market dropped sharply on short-term fears about the inflationary

PSDAY MARCHS

TNANCE

Northern .

Star's los

M Chris Sterne

THE STATE OF THE S See and the see an

GOVERNMENT BONDS

dangers of early monetary

Trading was dominated by volatile activity on the futures market, where the June bund contract opened around the day's high at \$3.00, dropped as low as \$1.54 and then recovered to trade at \$1.80, against Friday's close of \$2.94.

to trade at \$1.80, against Friday's close of \$2.94.
On the cash market, the 7% per cent bund maturing 2000 was fixed at 93.55 to yield 8.74 per cent, around % point lower than Friday's fixing.
Most other 10-year bunds retreated further, falling between % and % point on the day. At the shorter end of the maturity curve, prices showed

maturity curve, prices showed some resistance and the average yield on federal government paper rose to 8.96 per cent from 8.91 per cent.

THE UK government bond market was quiet ahead of market was quiet ahead of today's Budget. In thin turn-over, prices followed the weakness in the German market, but were also pushed lower by the poor form of sterling.

Gilts were down by around 1 point, with the 11% per cent issue maturing 2003-07 trading at 99% after briefly dipping below the 99 level. Most pre-Budget speculation

. .

16 13.

3515 1990

11413

强烈的

estate de militario

gan to the

18.00

; · · · · ·

. .

٠٠.

greek all hard

12 T. 12 A. 13 P.

grant and con-

A STATE OF THE

grand state of

ilig time de la compa

384 F

By Andrew Freeman in London and Janet Bush in New York **BENCHMARK GOVERNMENT BONDS**

	Сопром	Red Date	Price	Change	Yield	Week.	Month 'ago
UK GILTS	10.000	4/93	91-21	-06/32	13.41	13.43	12,45
. '	10.500	5/99	89-24.	-24/32	12.37	12.40	11,45
	9.000	10/06	62-14	25/32	11.27	11.32	10.53
US TREASURY *	8.500	05/00	. 99-14	-03/32	8.58	8.65 .	8.42
	8.500	02/20	99-19	00/32	8.64	8.63	8.45
JAPAN No 119		6/99	- 35.A257	-0.649	7.25	7.24	6.84
No 2.	5.700	3/07	89.2130	-1,113	7.10	6.91	6.33
GERMANY.	7.125	12/99	89.2400	1.360	8.80	8.89	6.63
FRANCE BYAN	8.000 .	10/94	90,6087	-0.225	10.67	10.73	10.82
OAT	8.125	6/99	88.7000	-0.560	10.04	10,17	10.22
CANADA "	9.250	12/99	89.9600	+0.050	10.98	10.94	10.39
NETHERLANDS	7.500	11/99	89.7200	-1,010	9.13	9,18	8.98
AUSTRALIA	12.000	7/99	92.6446	+0.050	13.39	13.42	13,18

centred on the possibility that the Government might change the Government might change its funding policy and begin issuing gilts. While analysts thought that the long-standing buy-in premium had largely disappeared, they expressed worries that the lack of buyers for all steeling hands made arms. for all sterling bonds made cur-rent yield levels particularly vulnerable to the prospect of new issues.

IN JAPAN, a late sell-off after the sharp fall on the equity market, combined with renewed weakness of the yen against the US dollar, drove bond prices lower. The bench-mark 119th government issue was yielding 7% per cent, against Friday's close of 7.120

■ US Treasury bonds started as much as % point lower yester-day in reaction to their sharp gains on Friday but recovered most of these losses by late

long bond was quoted i point higher to yield 8.53 per cent while short-dated issues stood as much as % point lower.

There were no important US economic data yesterday so attention focussed on today's releases. The consumer prices index is expected to have risen by around 0.3 per cent to 0.4 per cent in February. The mar-ket will be looking closely at the index stripped of food and energy prices. The trade deficit is expected to have widened in January to between \$9.5bn and

fall of \$7.2bn. There was some doubt yes terday about the strong rally on Friday which appeared to be an exaggerated reaction to the industrial production and capacity utilisation figures which were somewhat weaker than expected. Nevertheless the market's ability to remain

\$10bn from December's short-

FT INTERNATIONAL BOND SERVICE

Barclays Aus. 13½ 94, AS.
Belylam 8½ 94 Ecn.
Bell Cassada 10 70 04 CS.
BP Capital 9½ 93 6.
British Airways 10 98 6.
British Airways 10 98 6.
Brit. Telecom 9½ 93 6.
Comm. Bk. Aus. 13½ 94 NZS.
Comm. Bk. Aus. 13½ 94 NZS.
Crofit Fonder 9 96 Ecu.
Criocal France 9½ 92 Ecu.
Dest. Bk. Aus. 13½ 93 AS.

FLDATING BATE
NOTES
Alliance & Leke Bid 94 £...
Bank of Greece 99 U.S...
Beiglum 91 U.S...
Chelt. & Gloudester 94 £...
Credit. Footer 98 U.S.
Dresdaer Fligance 99 DM...
FEC 3 92 DM...

Credit Foncier 98 US.
Drescher Finance 99 DM.
EEC 3 92 DM.
Halifax BS 94 S.
Leeds Perm. B/S. 94 S.
Leeds Perm. B/S. 94 S.
Mellix Milk. Brd. 5 95 S.
New Zeatand 5 97 S.
Northern Rock 92 S.
State Bk. Nar. 98 US.
Woolwich Equit. BS. 93 S.
Woolwich 5 95 S.
Average price change. 0

Average price classings. On day +0.04 on week -0.05

CONVERTIBLE BONDS

Alona 6% 02 US. 18/87 62 11114 1122 +1 3.87

Amer. Brands 7% 02 US. 987 56.7 115% 116% -0.4 9.05

Acta 4% 02 £ 387 1.64 100% 101% -0.4 9.05

Dal-Hall Kan. 3% 04 US. 7/89 3485. 71.5, 72% -0.4 86.3

Dal-Hall Kan. 3% 04 US. 7/89 3485. 71.5, 72% -0.4 65.29

Primerica 5% 02 US. 487 66.75 71.5 72% -0.4 65.29

Primerica 5% 02 US. 487 66.75 71.5 72% -0.4 65.29

Primerica 5% 02 US. 487 66.75 71.5 72% -0.4 65.29

Fulltsu 3 99 US. 5/84 1106. 169% 170% -16% -7.42

Ladbroke 6rp. 5% 04 £ 66% 3.55 97% 98% 10.8

MICA lat 5% 12 US. 987 67.2 78% 79% -0.% 11.35

MICA lat 5% 12 US. 987 67.2 78% 79% -0.% 11.35

MICA lat 5% 12 US. 987 67.2 78% 79% -0.% 11.95

MICA lat 5% 12 US. 987 67.2 78% 79% -0.% 11.95

Mica 5% 12 US. 987 67.2 78% 79% -0.% 11.95

MICA lat 5% 12 US. 987 67.2 78% 79% -0.% 11.95

MICA lat 5% 12 US. 987 67.2 78% 79% -0.% 11.95

MICA lat 5% 12 US. 987 67.2 91.5 12.6 -0.5

MICA lat 5% 02 US. 987 67.2 91.5 12.6 -0.5

MICA lat 5% 02 US. 987 67.2 11.9 0.6

MICA lat 5% 03 US. 11.9 0.0

MICA lat 5% 04.0

MICA lat 5% 05.0

MICA la

lgist Bonds: The yield is the yield to redemption of the mid-price; le amount issued is in millions of correscy units excupt for Yer ands where it is in billions. Grange on week = Change over price a

earlier.

9 Rate Notes: Denominated in dollars unless otherwise indi-Coupon shown is minimum, C.dite-Date next coupon becomes live. Spread-Margin above sta-month offered rate (stitres-th; gabove mean rate) for US dollars. C.ppg-The current

couped.
consert the Books: Denominated in dollars makes otherwise indicated.
Chy, day - Change on day. Car date - First date of conversion into
shares. Cav., price - Nominal amounts of bond per share appressed
recurrency of share at conversion rate fixed at leave. Prem - Percettiage premium of the currentalisative price of acquiring shares viz the
bond over the most reasest price of the stares.

FT GUIDE TO WORLD CURRENCIES

COUNTRY £ STE	US\$ D-MARK	CX 1000 AEM	COUNTRY	£ ST&	US \$	D-MARK	CK 100) CK 100)	COUNTRY	£ STG	US S	D-MARK	OX 100)
Afghanistan (Afghani) 99.25 Albania (Lek) 10.0595 Algeria (Dingr) 12.92 Andorra (Fr Fr) 9.1725 (Sp Pesria) 174.45	61.5694 36.5898 6.2403 3.7085 8.0148 4.7631 5.6901 3.3815 108.2196 64.3133	40,1010 4,0544 5,2202 3,7060 70,4848	Gabos (CFA Fr) Gambia (Daizsi) Germany East (Ostmark) Germany West (DMark) Ghuna (Ceri)	13.442 2.7125 2.7125	284.5068 8.3387 1.6826 1.6826 311.3858	169.0783 4.9555 1 1 185.0521	185,3030 5,4311 1,0959 1,0959 202,8096	Pakistan (Pak. Rupee Panama (Balboa Papua New Guinea (Kina Paraguay (Guarasi Perg (Inti	1.5785 2001.66	21.0918 I 0.9792 1241.7245 12848 866	12.5345 0.5942 0.5819 737.9391 2.7635.7788	13.7373 0.6513 0.6377 808.7515 8368.5050
Angola (Kwanza) 51,015s Arugisa (E Carr S) 4,3605 Arugista (Austral) 7691,226 Aruta (Floria) 2,9908 Australia (Aus S) 2,1400 Austra (Schilling) 19,065 Azores (Port Escado) 240,75	20.0412 19.8073	20,6121	Gibraitar (Gib E) Greece (Dractera) Greenland (Darbsi Krone) Greenland (E Carr S) Gibraita (E Carr S) Gibraita (Local Fr) Gibraita (Local Fr) Gustemala (Oueran) Gustemala (Oueran)	1.00 260.10 10.3850 4.3605 9.1725 1.6120 6.0656	0.6203 161.3523 6.4423 2.7650 5.6901 1	0.3686 95.8894 5.8285 1.6075 3.3815 0.5942 2.2361	0.4040 105.0909 4.1959 1.7618 3.7060 0.6513 2.4507	Philippines (Peso Piteaira is (£ Sterling ONZ \$ Poland (Zloty Portugal (Escudo	35.20	21.8362 0.6203 1.7106 9488.2133 149.3486	12.9769 0.3686 1.0165 5838.7096 88.7557 0.5942	0.4040 1.1141 6179.7979 97.2727 0.6513
Baharus (Baharus S 1.6120 Bahrais (Dinart 0.6078 Balearic is (So Peseta) 174.45 Bengladesh (Talea) 53.00 Barhaidos (Barb S) 3.2482	149,3496 88,7557 1 0,5942 0,3770 0,2240 108,2196 64,3133 32,8784 19,5391 2,0150 1,1974	0.6513 0.2455 70.4848 21.4141 1.3124	Guinen (Fr) Guinen-Bissau (Pesa) Guyann (Goyanes S) Haiti (Goyanes Honduras (Lempira) Hong Koog (HK S)		300.5583 648.8502 29.9587 4.9911 2.1326 7.8300 65.7351	178.6175 387 17.8138 2.9769 1.1926 4.6532	195.7575 424.1373 19.5232 3.2626 1.3070	Gatar (Riyal Resnica is, de la (F/Fr Romania (Led Rwanda (Fr) 34 <i>.22</i> 1	3.6410 5.6901 21.2282 81.3151	2.1637 3.3815 12.6156 48.3244	2.3714 3.7060 13.8262 52.9616
Belgium (Beig Fr) 56.40 Belize (B \$) 3.23 Benin (CFA Fr) 458.625 Berninda (Bernodian \$) 1.6120 Blantao (Negativa) 27.30 Belivia (Bellviano) 4,9580	34,9875 20,7926 2,0037 1,1907 284,5068 169,0783 1,05942 16,9354 18,0645 3,0756 1,8278 1,8734 1,133	22.7878 1.3050 185.3030 0.6513 11.0303 2.0032 1.2202	leeland (Jeelandie Krona) India (Malan Ropea) Indonesia (Rujan) Iran (Rujan) Iran (Iran) Dinan) Irish Rep (Pent)	98.552 27.30 2952.36 114.75 0.5033 1.0210	61_1364 16,9354 1831,4888 71,1848 0,3122 0,6333	36.3325 10.0645 1088.4276 42.3041 0.1855 0.3764	5.0997 42.8141 39.8189 11.0303 1192.8727 46.3636 0,2033 0.4125	Saudi Arabia (Rival)	4.3605 9.1725 4.3605 2005.75 170.5278 6.04575	2.7050 0.6203 2.7050 5.6901 2.7050 1244,2617 105.7864 3.7504 284 5068 5.4590	1.6075 0.3686 1.6075 3.3815 1.6075 739.4470 62.8673 2.2288 169.0783	1.7618 0.4040 1.7618 3.7050 1.7618 810.4040 68.9001 2.4427
Document	1 8768 1,1153 0.8415 0.5000 284.5068 169,0783 6.6861 3,9734 183,9330 109,3087	0.6513 1.2224 0.5480 185.3030 4.3547 119.7979 141.9862 185.3030	israe' (Shekon) Ismalca (Jamalcan S) Japan (Yen) Jordan (Jordanian Dirar) Kenya (Kenya Shilina S) Kirikati (Australian S)	36.40	2,0225 1244,2617 6,8523 153,5359 0,6673 22,5806	1,2018 739,4470 4,0722 91,2442 0,3965 13,4193	1.3171 810.4040 4.4630 100 0.4346	Senegal (CFA Fri Sepchelies (Rupee Sierra Leone (Leone) Singapore (S. Solamon is Somali Rep (Shilling) South Africa (Rand)	8.80 190 10 3.0255 4.0275 662.15	5.4590 117.9280 1.8768 2.4984 410.7630 2.6053 4.0369	3.2442 70.0829 1.1153 1.4847 244.1105 1.5483 2.3990	185,3030 3,5555 76,8080 1,2224 1,6272 267,5353
Caracia (Caracian S 1,9070 Caracy Is Sp Pereta) 174.45 Cp. Verde (CV Escusio) 116.7322 Cayman Is (CI S) 1,3404u Cart.Afr. Rep (CFA Fr) 456.625 Chile (Chillan Peros) 477.57	1.1830 0.7030 108.2196 64.3133 72.4145 43.0349 0.8285 0.4941	0.7705 70.4848 47.1645 0.5415 185.3030 185.3030	Korea North (Won) Korea South (Won) Kuwalt (Kuwalti Dinar) Labanna (New Kip.)	0.474 1151.495	1.3275 0.9717 699.5347 0.2940 714.3269 553.9516 2,6053	0.7889 0.5775 415.7235 0.1747 424.5142 329.2055 1.5483	0.8646 0.6329 455.6161 0.1915 465.2505 360.7959 1.6968	Spanish Ports in N Africa (Sp Pesetal Sri Lanka (Rupee) Sudan Rep (C) Surinam (Guilder) Swaziland (Lilances)	174.45 174.45 64.00 18.4917 2.8747 4.1998	108.2196 108.2196 39.7022 11.4712 1.7833 2.6053	64.3133 23.5944 6.8172 1.0597 1.5483 3.6341	70.4848 70.4848 25.8585 7.4713 1.1614 1.6968 3.9828 0.9828
Chico (Reremicte) Yusan) 7.4073 Colombia (Col Peso) 744.75 Comorus (CFA Fr) 458.625 Congo (Brazz) (CFA Fr) 458.625 Costa Rica (Colon) 138.486 Côte d'Iroles (CFA Fr) 458.625 Caba (Caban Peso) 1.2866 Cyprus (Cyprus D 0.7710	284 5568 144 0783 296 2993 145 0624 47:191 2.8045 462 0097 274 5862 284 5068 169.0783 284 5068 169.0783 0.7982 0.4742 0.4762 0.2842	3,0736 300,9090 185,3030 185,3030 55,9539 185,3030 0,5199	Liberia (Liberianis) Libya (Libyan Dinar) Liechestein (Swiss Fr) Limembourg (Lint Fr) Macao (Pataca) Madeira (Port Escudo) Malagacy Rep (M6 Fr)	2.4325 56.40 13.0326 240.75	0.2949 1.5089 34.9875 8.0847	1.5483 0.5942 0.1752 0.8967 20.7926 4.8046 88.7557	1.6968 0.6513 0.1921 6.9628 22.7876 5.2656 97.2727	Switzerland (Fr. Syria (C) Taiwan (Shilling) Thailand (Sahilling) Thogo Rep (CFA Fri	312.25 41.20	6.1150 1.5089 20.9628 26.5508 193.7034 25.5583 284.5068 1.3275	3.6341 0.8967 12.5032 15.7788 115.1152 15.1889 169.0783	13.7030 17.2929 126.1616 16.6464
Caccinoslovakita (Korana) 27,22: 61,24: Denmark (Danish Kroser) 10,3850 Dijbosti Rep (Djih Fr) 280,00 Dominista (E Carris S) 4,3605 Doministan Rep (D Peps) 13,6106	16.8858 10.6350 37.9900 22.5769 6.4423 3.8285 173.6972 103.2258 2,7050 1.6075	10.9979 24.7434 4.1959 113.1313 1.7618	Malawi (Kwarka)	0 5325	1302.1091 2.6845 2.7273 9.4155 284.5068 0.3303 5.6901 83,7053	773.8248 1.5953 1.6208 5.5955 169.0783 0.1963 3.3815 49.7448	848.0608 1.7484 1.7763 6.1324 185.3030 0.2151 3.7060 54.5183	Tonga is (Pa Anga) Trinidad/Tobago (SI Tunista (Dinar) Turisty (Lira) Turisty (US SI Turisty (Australian S)	2.1400 6.8637 1.4663 3953.44 1.6120 2.1400	4.2578 0.9096 2452.5062 1 1.3275	0.7889 2.5303 0.5405 1457.4894 0.5942 0.7889	0.8646 2.7732 0.5924 1597 3494 0.6513 0.8646
Ecuador (Sucre) 1137,040 1187,64a Fount (Fountian 5, 4, 24	8.4433 5.0177 705.3598 419.1852 736.7803 437.8580 2.6302 1.5631	5.4992 459.4101 479.8747 1.7131 4.1515	Mexico (Mexican Peso) Miguelon (Local Fr) Monaco (Franch Fr) Monacia (Tuerità)	4449.14a 4383.11d 9.1725	2760.0124 2719.0508 5.6901 5.6901 3.3495 2.7050 8.0575	8.8847 1640.2359 1615.8930 3.3815	9.7373 1797.6323 1770.9535 3.7060 3.7060 2.1895	!	5.92005 1.00 1.6120 1479.74 0.9784	377,6014 3.6724 0.6203 1 917,9528 0.6069	224,4031 2,1824 0,3686 0,5942 545,5262 0,3607	245.9367 2.3919 0.4040 0.6513 597.8747 0.3953
Enjar'i Gidsen (CFA Fr) 458.625 Ethiopia (Ethiopian Birr) 3.31.63 Falkland is (Falk C) 1.00 Faroe is (Danish Kroser) 10.3850 FIII is (Fill S) 2.4740	6.3741 3.7880 284.5068 169.0783 2.0572 1.2225 0.5020 0.3686 6.4423 3.8285 1.5347 0.9120	185.3030 1.3399	Mozambique (Metical)	5.4191± 4.3605 12.9887 1457,1176 4.1998 2.1400 45.866	2.7050 8.0575 903.9191 2.6053 1.3275 28.4528	1.9978 1.6075 4.7884 537.1862 1.5483 0.7889 16.9091	1.7618 5.2479 588.7343 1.6968 0.8646 18.5317	Vammtu (Vatu) Vatiçan (Ura) Vatiçan (Bolhar) Venezuela (Bolhar) Vietnam (Doeg) Virgin is-British (US S) Virgin is-US (US S)	2005.75 70.3485 7267.50 1.6120	116.9354 1244.2617 43.6405 4508.3746 1	69.4930 739.4470 25.9349 2679.2626 0.5942 0.5942	76,1616 810,4040 28,4236 2936,3636 0,6513 0,6513
Finisad (Marke) 6,3483 France (Pri 9,125 Fr. Cty/Africa (CFA Fr) 458,625 Fr. Sultans (Local Fr) 9,1725 Fr. Pacific is (CFP Fr) 164,00	4.0063 2.3809 5.6901 3.3815 284.5068 169 0783 5.6901 3.3815 101.7369 60.4608	4.1757 0.9795 2.6094 3.7060 185.3030 3.7060 66.2626	Northerlands (Gulider) N'nd Antilles (A/Gulider) New Zealand (NZ S) Nicaragua (Corrioba) Niger Rep (CFA Fr) Nigerla (Naira)	3.0550 2.8908u 2.7575 64798.00 458.625 12.7262 10.5550	2.8951 1.8951 1.7868 1.7106 40197.2704 284.5068 7.8946 6.5477	1.1262 1.0657 1.0165 23888.6635 169.0783 4,6916	1.2343 1.1680 1.1141	Western Samoa (Tala) Yennen (RiaD Yennen PDR (Dinar) Yugoslavia (Dinar) Zaire Ren (Zaire)	0.5491n 19.2586	2.3107 9.7681 0.3393 11.9470 493.6538	1.3732 5.8050 0.2024 7.0999 293.3714	1.5050 6.3621 0.2218 7.7812 321.5232
			Norway (Nor. Krone) Oman (Rial Omani)		0.3849	3.8912 0.2267	0.2507	Zambia (Kwacha) Zimbabwe (S)	64.00	39.7022 2.3650	23.5944 1.4055	321.5232 25.8585 1.5404

mote rate; (e) Commercial rate; (d) Controlled rate; (e) Essential imports; (g) Financial rate; (h) Exports; (l) Noe commercial rate; (d) Bush al rate; (e) preferential rate; (e) convertible rate; (r) parallel rate; (d) Selling rate; (t) Toerist rate; (d) Currency fixed against the US Dollar, are data supplied by Bank of America, Economics Department, London Trading Centre, Enquiries; (1) 634 4360/5. Montaly, Blanch 19, 3590.



EXPORT CREDIT CLEARING HOUSE. Finds 100% non-recourse export finance when you cannot. 01-739

4311

- MARCH 1990

US \$100,000,000

Takugin International (Asia) Limited

Guaranteed Floating Rate Notes Due 1994



Guaranteed as to payment of principal and interest by The Hokkaido Takushoku Bank, Limited

Interest Rate

813/16% per annum

Interest Period

20th March 1990

20th September 1990

Interest Amount per U.S. \$10,000 Note due 20th September 1990 U.S. \$450.42

Agent Bank

Credit Suisse First Boston Limited

U.S. \$75,000,000

Banco Mexicano Somex S.N.C. Floating Rate Notes Due 1991

In accordance with the provisions of the Fiscal Agency Agreement between Banco Mexicano Somex S.N.C. and First Interstate Capital Markets Limited, dated as of 4th September, 1986 notice is hereby given that the Rate of Interest for the next six month Interest Period has been fixed at 9.5% p.a. and that the interest payable on relative Interest Payment Date, 20th September, 1990 in respect of U.S. \$100,000 nominal amount of the Notes will be U.S. \$4,855.56.



OKOBANK

Osuuspankkien Keskuspankki Oy

(Incorporated with limited liability in Finland, (Registered number: 15.122)

Yen 3,000,000,000

9 per cent. Nikkei-Linked Bonds Due 1992

Issue Price 101.25 per cent.

New Japan Securities Europe Limited Bankers Trust International Limited

First Securities Co., Ltd.

IBJ International Limited

Toyo Trust International Limited

Den norske Creditbank U.S. \$150,000,000

Floating Rate Capital Notes due March 1991 In accordance with the provisions of the Notes, notice is hereby given that for the six month interest Period from March 20, 1990 to September 20, 1990 the Notes will carry an interest Rate of 8.875% p.a. and the Coupon Amount per U.S.\$10,000 nominal of the Notes will be U.S.\$45.361 and per U.S.\$250,000 nominal of the Notes will be US\$11,340<u>.25</u>,

March 20, 1990 London By: Crobank, N.A. (CSSI Dept.), Agent Bank

News International plc Usdol 150,000,000 8%% bonds due 1991 Convertible into Usdol 150,000,000 Guaranteed Floating Rate Notes due 1991

Okobank.

In accordance with the provisious of the notes, notice is hereby given that for the interest period March 20, 1990 to June 20, 1990 the notes will carry an interest rate of 812 %

Interest payable on the relevant interest payment date 20th June 1990 will amount to USD 225.21, per USD 10,000 note.

Agent Bank: Banque Paribas

A notice is hereby given pursuant to Condition 5(c)(xil) of the captioned Bonds that the conversion price of the captioned Bonds has been adjusted as a result of same of shares as follows:

Convention Price before Ad Yen 1,003.60 Pact Requiring Adjustment: Issue of additional 80,000,000 stones for a consideration per stone loss than the corrent market price thereof.

Conversion Price alter Adjustment: Yen 992.20

Effective Date: 20th March, 1990

THE TOKAI BANK, LIMITED By The Tokal Bunk, Limited London Branch as Principal Paying Agent Dezed: 20th March, 1990



US\$500,000,000 Undated Floating Rate Primary Capital Notes The Rate of interest has

been fixed at 9.0 % p.a. The interest payable on the relevant interest Payment Date September 20, 1990 against coupon No. 10 in respect of US\$10,000 nominal of the Notes will be US\$460.00.

Citibank, N.A. (CSSI Dept.), Agent Bank March 20, 1990

INTERNATIONAL CAPITAL MARKETS

Mezzanine

finance

launched

By Charles Batchelor

MITHRAS Investment Trust. a

If Mithras is successful it

might make superfluous

attempts to establish a second-ary market for mezzanine funding in the UK on similar

lines to the troubled US junk bond market, its backers said. A number of UK mezzanine

finance companies have been

attempting to make mezzanine available in bond form although bonds tie the inves-

tor into the fortunes of a sin-

gle company.
Mithras has been set up by

Legal & General Assurance of the UK, P-B Interfunding, a

subsidiary of Prudential Insur-ance of the US, and Financiere Indosuez, the corporate finance arm of Banque Indo-

fund

Warrant issues postponed as investors dump stock

By Norma Cohen

THE TOKYO Stock Exchange's precipitous drop of over 1,300 points overnight left the equity warrant sector of the Eurobond market in disarray yesterday, with secondary prices of war-rants off by about 10 per cent. Several dealers complained of "dumping" of inventory by some major players, pushing prices down further.

Privately, officials at the four major Japanese firms which underwrite the bulk of new issues, said that much of the existing queue of new equity warrant Eurobonds has been postpoued. A \$300m issue for Seiyu Corp, set to be launched last Friday via Nomura Securities, failed to materialise, as did a \$300m issue for Ricoh Corp, set for launch yesterday. A \$300m issue for Kao Corp, scheduled for launch on March 22, is also expected to be postponed.
A four-tranche offering for
Sumitomo Metal Industries set for March 27, which includes a Y100bn tranche to be launched in Tokyo, is also said to be postponed. While officials of the firms dislike public procla-

mations that new issues have been halted - such statements

leave the houses open to criti-cism as members of a cartel -

they privately concede that

any new deals are highly

Iorrower CANADIAN DOLLARS

C. Itch Int. Finance(a)

AUSTRALIAN DOLLARS

US DOLLARS Snow Brand Milk Prod.(b)++

SOUTH AFRICA'S Electricity

le to issue a new bond in the

Supply Commission has been able to issue a new band in the

West German market in what is believed to be the first such

operation since 1985, writes

tephen Fidler. The new issue of DM100m in

effect refinances part of a

Daiwa Europe, lead manager of a recent equity warrant Europond for Snow Brand Milk Products, set the terms of the issue yesterday, cutting the size of the deal to \$150m from the \$200m originally announced. In the market, the deal was trading at 87 against an issue price of par.

INTERNATIONAL BONDS

The scale of recent losses in the sector can be seen from the prices of new issues, all of which were launched at an issue price of par. Yamanouchi Pharmaceutical was trading yesterday at 86 while Matsushita Electric was quoted at 89 and Mitsubishi Oil at 86. Warrants, which when detached from the underlying bond were assumed to have a value of 24% points, are now in single igits on some issues. Unlike previous periods of

disarray in the equity warrant Eurobond market, tumbling prices are not a reflection of overly aggressive coupons or a supply glut. Instead, the cur-rent conditions reflect the massive correction in the Tokyo equities markets. Last week, underwriters had been pri-vately suggesting to clients

NEW INTERNATIONAL BOND ISSUES

154

73

712

2%

S African utility issues German bond

DM150m issue, launched in

1983 through Commerzbank, which matures in April Com-

merzbank is the paying agent for the new issue, which car-

ries a three-year maturity, a coupon of 10% per cent and is priced at par.

The maturing issue carries

101.90

102

100%

1015

100

1993

1995

1994

1994

that a comon of as much as per cent might be needed to make issues attractive, up from the current range of 2% to 2% per cent.

But by yesterday, market officials were arguing that no amount of coupon adjustment will be sufficient to make new equity warrant Eurobonds attractive. Teople are scared. They are wondering how far can the Tokyo Stock market go down," said Mr Shuichiro Kashiwa, executive director of Daiwa Europe. "Under these circumstances, it is a nonsense to talk about coupon or price." tional Finance issued a SFr150m five-year private placement bearing a coupon of 7% per cent and priced at 100%. While dealers termed the pricing very aggressive, it was able to trade just inside its 1% percent fees, with buyers pul-led in by the borrower's name.

than its own fine terms.

Meanwhile, the free-fall in the Tokyo Stock markets spilled over into Japanese issues, with Iseki Poly-tech's recent issue falling outside its fees to less 3 bid from less 1% bid on Friday. Sumitomo Selkz Chemicals' recent equity rant deal fell to less 6%.

1%/% ScotlaMcLeod

12/1 Hambros Bank

13 Credit Suisse

24/12 Dalwe Europe

market.

15/15 Nikko Secs. (Europe)

an 8% per cent coupon.

While South African entities

have been able to push through a number of bond refi-

nancings in the Swiss market

in recent years, there have

apparently been no such refinancings in the German

If anything, the issue is suffer-

ing from a glut of five-year paper in the market, rather

suez of France. Each has pro-vided £20m of loan stock 1990-2010 and £2m of equity capital. Mithras will be run as an investment "club" with each of the founder members involved in selecting investments. Most mezzanine and management buy-out funds are organised as "blind pools" with investors leaving decision-making to a management team.

SEC in junk bond study ---

The SEC has asked staff to study ways of establishing a centralised price or quotation system for the junk bond market, Reuters reports. In a letter to Senate Banking Committee, the SEC said it favoured steps to improve access to price information

But it cautioned that "an overly intrusive approach could create other risks and significant costs."

and liquidity in the junk bond

DTI paves way for futures funds Deborah Hargreaves reports on draft regulations for UK unit trusts he \$8bn international

market for futures funds could be opened up to UK unit trusts if longawaited draft regulations released yesterday by the Department of Trade and

266m trust intended to provide Industry become law.
At the same time, the departmezzanine finance investors with publicly tradeable mezza-nine securities, was faunched ment has asked for industry comments on a number of issues likely to cause heated debate in coming months. yesterday. Mithras will seek a stock market listing, probably by the end of this year. At pres-ent, mezzanine funding in the UK is provided in loan form and is tradeable only with dif-

The move presages change in the tax treatment of derivatives which may be mentioned in the UK Budget today, and paves the way for futures and options funds to be set up in the UK. The draft creates a structure for regulating these funds for the first time and also allows conventional unit trusts to broaden their use of futures.

At the same time, the Securi-

ties and Investments Roam has issued a paper on the marketing of futures funds in the UK. It is also seeking to tighten up the way warrant funds are sold to UK customers given the recent volatility in the Japanese equity warrants sector. In these draft proposals, the UK regulatory authorities are responding to a heartfelt mar-ket need for room to set up investment funds devoted to futures and options. Managed futures funds have been popular in the US, where they have allowed individual investors to gain access to the high-risk,

high-return markets for deriv-ative products. In the absence of a regulatory structure in the UK, futures funds have been set up offshore to take advantage of rising investor interest in the commodity and financial derivatives markets.

Last year, Mercury Asset Management, a subsidiary of SG Warburg, raised \$50m in six weeks for an options income fund it launched in Luxembourg. The company is under-stood to have tried hard to cre-ate the fund in the UK, but was thwarted by regulatory and tax

The confusing tax treatment of derivatives has been a fur-ther drawback for UK unit trusts which want to make a foray into the futures markets. The dual tax structure whereby funds pay corporation tax for trading derivatives and the holder of the fund pays capital gains tax on redemp-tion, can put off a lot of invest-

If the Inland Revenue introduces some symmetry into the tax law with this year's Budget or in the UK Finance Bill which will get its first reading in mid-April, the market for futures funds could boom. If not, the DTI and SIB could see their drafts fall flat.

change in the tax law will also encourage tra-ditional unit trusts to use the futures and options markets to a greater extent.
The DTI's draft allows these
conventional trusts to use
derivatives for "efficient portfolio management" rather than just hedging. This will allow unit trusts to make anticipatory hedges rather than waiting to hold the relevant US public futures funds Value of assets (Sbn)

25 20 1,5 1.0 0.5 1986 87 88 89 uros : Managed Futures Trade Assoc.

assets before hedging them. However, the conservative unit trust industry has long been wary of investing in futures and options. In fact, the Unit Trust Association had argued against the new funds being classed as unit trusts since it felt it could mar the public perception of trusts as

safe investments. For this reason, the UTA does not expect there to be a rush among trusts to set up authorised futures and options funds, as these "new kind" of unit trusts were called in the DTI's draft. But there is a strong demand among UK bro-kerages to launch these funds which have proved so attrac-

tive to overseas investors. While the DII has issued a framework for regulating futures funds, it is also asking for consultation on whether these instruments should be divided between low and high making a distinction between the two whereby the more highly geared instruments will have to carry a stronger warning to investors in their advert-

Low-risk funds are similar to 90-10 funds or guaranteed funds in the US where only a small part of the fund's money is invested in derivatives and there is a guaranteed return of principal. Their more highlygeared counterparts are those funds which achieve leverage

beyond their asset value. The DTI's draft currently requires a prospective futures fund to have enough cash to cover twice the amount of mar-gin it needs in the futures market. Given the low level of futures margins, this means a fund could become quite highly geared.

hat the SIB is hoping is that industry comments will encourage the DTI to measure the fund's leverage by contract value and

not margin. The marketing regime for these leveraged futures funds will be fairly restrictive, the SIB envisages. The new rules it proposes for selling warrant funds are likely to be similarly strict. The SIB is concerned that warrant funds can be risky, particularly in view of the Japanese warrants market's volatility, and that investors should be warned.

The DTI and SIB will now receive industry comments on their proposals with the new rules likely to be introduced

Osaka SE opens doors to foreign brokers

By Michiyo Nakamoto in Tokyo

GROWING INTEREST among foreign securities firms in trad-ing equity derivative products has prompted the Osaka Stock Exchange to open its doors to new members this spring.

Several foreign securities companies have expressed

interest in applying for mem-bership in the OSE when applications start being accepted possibly as early as the end of this month. An OSE official said the decision to accept new members should be imalised at a board meeting today.

companies is the right to trade the Nikkel futures and options contracts, which are linked to the widely followed Nikkei index, and are traded exclusively on the Osaka exchange. The Tokyo Stock Exchange trades the Topix futures and options contracts which are linked to its own Topix index. The Topix index, which comprises all stocks on the Tokyo Stock Exchange, is a relatively new index and is less popular

Foreign securities firms in Japan, many of which have been struggling to make ends

than the Nikkei.

meet, are setting their hopes on the trading of equity deriva-tive products as a means to enhance their position vis-à-vis their Japanese competitors and win their share of the lucrative

Japanese equity market.
Foreign firms are looking specifically to index arbitrage.European firms have mostly watched the major US firms, particularly Salomon Brothers, Morgan Stanley and Goldman Sachs, increase their influence on the market with their large programme trades. Many of the European firms, like the large Japanese broker-

LONDON TRADED OPTIONS

on index arbitrage. "It is one-way trading in which everyone decides either to sell or to buy," said one broker at a British firm. "If that means the market as a whole is going to suffer, as it has this year, it is like wringing your own neck." Nevertheless, European firms have also started to build up skills in trading derivative products, and are now importing those skills into their Japanese offices. Schroder Securities set up a futures and options division in its Tokyo

office earlier this year.

Osaka exchange to the foreign LONDON MARKET STATISTICS

RISES AND FALLS YESTERDAY

	⁶ The Financial Time in conjunction with the				-	_					
	EQUITY GROUPS				rch 19			Fri Mar 16	The Mar 15	Wed Mar 14	Year ago (approx
Fig	& SUB-SECTIONS pures in parentheses show number of stocks per section	index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1990 to date	index No.	ladex No.	îndex No.	Index No.
1	CAPITAL G0005 (202)	857.90	-0.9	13.53	513	9.01	3.19	866.08	866.08	854.74	
2	Building Materials (27)	1036,41	-1.0	15.15	5.47	8.23	0.89	1047.29			1178.4
	Contracting, Construction (37)		-0.3	17.47	5.69	7.49	6.04			1406.07 2481.31	
4	Electricals (10)	1010.7	-0.5 -0.9	12.03 9.96	5.30 4.05	10.15 13.02	0.75 16.17	2503.26 1835.45			
6	Electronics (29)	431 62	-14	15.51	5.35	7.93	0.04			435.46	
7	Facineering-General (44)	1 463 CR	-ü	12.14	527	9.92	2.83	468.06	468.06	465.68	
8	Metals and Metal Forming (6)	482.04	-0.8	24.41	6.46	4.62	0.00	486.07	496,07	478.25	534.0
9	Motors (16)	353,88	-1.2	14.24	6.27	8.32	3.10				308.49
Ю	Other Industrial Materials (25)	1589.66	-17	11.28	4.77	10.33	3.12		1606.58	1563.22	
7	CORSUMER GROUP (176)	1212.76	-0,9 -0,5	9.44 10.04	4.00 3.81	13.23 12.30	3.97	1224.30	1224.30 1397.49	1209.65 1390.75	
Ξ	Brewers and Distiffers (22)Food Manufacturing (20)	1061 78	-21	10.04	4.41	11.87			1084.05		
×	Food Retailing (16)	2262 48	-0.7	6.95	335	14.51		2278.87		2257.23	1944.2
27	Health and Household (13)	2470,78	-0,6	6.50	2.80	18.29	2.48	2485.72	2485,72	2432.75	2121.97
10	1 alema (21)	1441 19	-1.2	9.81	4.21	12.58	6.20	1458.82	1458.82	1443.98	1607.11
п	Packaging & Paper (13) Publishing & Printing (16)	561.10	-0.5	12.52	5.59	10.09	1.44	564.20	564.20	561.81	581.02
2	Publishing & Printing (16)	3205.09 750.15	-0,9 -1,6	10.04 11.57	5.46	12.74 11.25	21.87	3234.20		3225_13 749,44	
5	Stores (33)		-0.7	12.93	4.99 6.93	9.74	1.78 0.37		757.A1 508.95		513.73
2	Textiles (12)OTHER GROUPS (104)	1142 34	-0.9	10.91	4.95	11.01		1152 18			
ũ	Agencies (17)	1553.40	-0.5	5.80	2.47	21.25		1561.32		1559.69	1278.31
2	Ctemicals (23)	1206.43	-0.5	12.01	5.41	9.90		1212.42			
	Conglomerates (13)		-1.2	10.32	6.21	11.41	5.64		1594.73		
4	Transport (13)	2216.84	-0.9 -0.9	11.04 11.11	4.35 4.48	11.53 11.71	2.88 0.00	2237.38 1153.58	2237.38 1153.58		
	Telephone Networks(2)	1948.36	-0.9 -1.8	17.89	6.95	619		1984.62	1984.62	1979.61	0.00
7	Miscellaneous (26)	1861 04	-0.5	9.77	4.44	11.56	1.16	1870.77	1870.77	1856.94	
2	INDUSTRIAL GROUP (482)	1116 30	-0.9	10.92	4.58	11.21	4.00			1113.81	1094.93
		2330.17	-1.5	10.55	5.17	12.50	32.88		2366.71	2335.86	1989.35
씕		1217.10	-L0	10.87	4.67	11.38	6.22		1229.47		
4	FINANCIAL GROUP (1.14)	780 38	-1.5	-10.07	5.75		9.98	792.27	792.27	787.57	744.74
2	Rapks (9)	847.55	-1.5	19.85	6.48	6.59	22.40	860.24	860.24		
5	Insurance (Life) (7)	1281,13	-0.8]	5.31	- 1	0.00	1291.21	1291.21		
4	Insurance (Composite) (7)	638.14	-1.9	l <u>-</u> 1	6.23	<u>-</u>	4.25	650.62	650.62	649.11	589.55
7	Insurance (Brokers) (6)	1036.36	-0.4	7.36	6.08	18.53		1040.97		1051.03	976.44
ď	Merchant Banks (8) Property (49)	466.47 1065.86	-0.8 -23	8.52	3.99 4.06	- 14.85	0.831 1.56	470.18 1090.61	470.18 1090.61	469.19 1078.49	340.04
K	Other Financial (28)	317 02	-0.5	13.66	6.85	9.65	237	318.65	318.65	318.67	381.65
H	Investment Trusts (68)	1160 64	-l 1		3.25	-	6.56	1173.79	1173.79		
i	Overseas Traders (5)	1378.24	-1.6	9.36	6.63	12.91	30.79		1400.97		
9	ALL-SHARE INDEX (687)	1111.57	-L1		4.80		7,10		1123.79		
۲		index	Day's	Day's	Day's	Mar	War	Na-	Шат	Mar	Year
		No.	Change	High (a)		16	15	14	13	12	
7	FT-SE 100 SHARE INDEXA	2238.0		2262 1	2235.9	2263.9	2263.9	2234.9	2226.2	2224 5	2053.6

	FIX	ED I	NTE	REST	r			AYERAGE GROSS REDEMPTION YIELDS	Mon Mar 19	Fri Mar 16	Year ago (approx.)
	PRICE INDICES	Mon Mar 19	Day's change %	Fri Mar 16	xđ adj. today	xti adj. 1990 to date		British Government Low 5 years Coopers 15 years	11.63 11.22 11.08	11.54 11.10 10.97	9.44 9.02 8.85
3 4	Over 15 years, irredeemables	112.62 118.39 120.80 140.32	-0.74 -1.35 -0.59	113.43 119.42 122.4 5 141.15	0.14 	2.55 4.16 1.51	5 6 7 8 9	Medium 5 years. Coupons 15 years. 25 years. High 5 years. Coupons 15 years. 25 years. Livedeunables.	12.90 11.65 11.20 13.00 11.43 11.43	11.49 11.49 11.07 12.88 11.73 11.24	10.51 9.48 9.03 10.63 9.70 9.21 8.80
6	All stocks	140.12 131.89	-0.06 -0.48	119.37 140.21 132.53 133.60	0.29	3.02 0.94 1.05 1.04	111111111111111111111111111111111111111	Index-United Inflation rate 5% Up to 5yrs. Inflation rate 5% Over 5 yrs. Inflation rate 10% Up to 5 yrs. Inflation rate 10% Over 5 yrs.	4.66	4.63 4.10 3.74 3.94	3.39 3.48 2.57 3.33
9	Debentures & Leans Preference	96.28	-0.17	96.45 76.74	-	2.35 1.49	16	Dels & 5 years	15.83 14.13 13.45	15.84 14.14 13.43	12.17 11.34 10.73
_	pening index 2260.8 9.03am Ur) 4.15p onstituents is availab LASSIFICATION: Cou	Je from th	e Publishi	K. Thè Fi	nancial i	247.5; 1 ase dates, imes, Nun	pm 2 , valu nber 1	245.8; 2 pm 2245.5; 3 pm 2242.7; es and constituent changes are publis he, Southwark Bridge, London SE1	3.30 pm 22 hed in Satu 9HL, price	43.5; 4 po rday issues 15p, by po	n 2237.1 . A list of st 35p.

		ويدوا	-				عرص بد			
Retric	à Funds	- ;		7 - 1		Rises 2	Falls 89		Same~	ACTIVITY in London's equity
Corpo	rations, D	ominion	and For	relga Book	P	182	- 530	٠.	· 17 879	derivative markets turned down vesterday as investors waited on
	rials clai and P	roperties		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		65	284		358	the sidelines for the UK Budget
Oils	atlons	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	**********		**********	23 0	31		37 7	today. Turnovar in the traded options market would have been
Mines		**************************************				73 92	15 63		70 105	even lower but for only modest
Other:	5		,4 -0 4		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	. 92				business in March stock options which expire tomorrow.
Ţ	otals					438	1,023		1,478	Total turnover stood at 17,657
					•	:				contracts, compared with 30,609
										on Friday. Yesterday's total was divided between 9,444 calls and
		L	OND	ON R	CENT	ISSUE	S			8,213 puts. The main stimulus to
FOL	JITIES	-		 -					•	out of expiring March contracts
			·	` —-						and the rolling over into tuture
ksue Price	Ann'as Las Paid Ren		790	5	teck ?	Closing ter	触	Three Con	E P/E	months. The FT-SE 100 index options
THE	ap Da	te. High	Low	<u>.</u>		ļ ļ				were the most active, trading
9125 914	FP.	128	끻	ABI Leisere	100	121 -2 978 45	M.7 10.5	꿄냈	7.9	4,228 lots. This was divided
=	图:	122	種	ABI CHIMP ALDG Group Altrust Rea Altrustic Re	Euro. L.T.	470 45	"=	- -	-1 -	CALLS PRITS Spiller Apr Jul Std Apr; Jul Std
100		7	88 23 37 30 25 25 25	fleta Global Do. Warran		夢	╢╌ ╌ ╸	-1:	-1 - 1	Alid Lyons 420 27 38 53 7 17 22
142			<u>\$</u>	"Blocart ly		27 42 300	10.0	- 0	-1 -	(*433) 460 7 18 33 31 39 43 500 1½ 7 18 68 69 72
1		一変	[藥]	Channel S	Garage Server	J 215 J	WILE	24 6	-1	ASSM 180 14 19 21 2 4 54
	[版] -	- 1 %	J. 1. j	Copyright Co #Dalasta Gro		254 24 47 137 137 14 157 14		_ -		(*110°) 110° 642 13° 14° 5 772 16°
94-13 1200	原	148	邊	F&CCmm		120 +1	uQ4.6% 2.0	10 20) -	Brit. Airways 180 35 34 41 1 3h 5h (*207) 200 14 27 27 5 % 12
1000	[版] :	. 2	155 25 25 25 25 25 25 25 25 25 25 25 25 2	Fleet breiter Do. Warran	S) JO H1	[-1	- :		(*207) 200 14 17 27 5 94 12 220 4 9 16 16 21 23
· <u>-</u>		22	쥺	Do. Warrier First Philips Do. Warren	. 	걸발	!·- =].=.	Brit Com 60 11 17 18 3 6 11
•	[] :	560 250		First Arrows	CBUEF4	は配に	1 :=1	: 1:		(%) 70 512 4 10 16 19 22
\$10.6 \$10.3		644	號	ST Culle Fin	ed 18 miles	40 15 15 15 15 15 15 15 15 15 15 15 15 15	I -1	-1:	:1 '= /	SmRi See- class A 460 33 48 63 8 14 19
2700 100 101	[2]	1 100	(98 I	German hv.	resia Majo 1¢ . Tst.	103 122	15.25	받	:1	(483) 500 11 26 41 26 32 35 550 3 10 23 70 70 72
200				Hangarian h	ighted TE		~~		- , -	
270 230 238	F.P. -	616	烫	Makaysia Es	e Hidgs, 10p Fd, 10c is 10c is Euro, LT,	39 595 +2 193 519 +2	-	· - -	- - ·	8eets 260 15 22 30 5 11 12 (247) 290 5 10 20 14 23 25
- :	[]	55	192 500 22 144 554 227	Martin Cur	e Ewa, LT	55 12	! =	- -		B.P. 300 39 46 52 2 33 6 (*533) 330 14 24 32 56 11 15
9100		122	蜀	Middards Ra Middards Ra Microsial Sp	- 2011 HING	25 164 99	45	14 37	160	360 3 10 17 27 28 31
\$100	F.P. I -	一場	뤏	Schroder Ja	Michigan	製は	-	- :	: = :	British Start 140 - 10 12 - 7½ 9 1242 145 35 5
-	器 :	245	227	Du. Warrani #Storm Gros Section Dist.		T 31 I	i :1	- :		Bass 900 29 58 90 20 35 42
7			遇	Section Dist. Do. B lp	Weier A 24	選	1 =1	=1:		(47) 451 26 33 43 46 47 45
22400	£1000 -	0755	E1000	Water Pacin	ge Units	CT\$43 -60	ا با		<u> </u>	C& Whe 500 53 71 911 5 15 20
							•			(*539) 550 20 40 61 25 33 40
			YES	19/77	REST S	RTOCK	<u> </u>			Countraile 297 26 33 45 26 11 15 (*316) 327 7 16 27 17 28 32
ica	Amount				1	3100N	~	Closin	- I	257 2 9 - 43 48 - Cors. links 420 44 53 - 4 9 -
Prio		Restance		1999/90	ł	Street		Price		(46) 40 12 31 33 22 24 35
	-	Bate	High	Low			<u> </u>	<u> </u>	<u> </u>	500 3 14 23 56 56 56
78.9	F.2.	-	101 Pb 820 847	574	British har. Tst Countrell Gree Exercel 11, 25p Gestatuer Hen- Rucklit & Coin Wysialistic Gree York Trine B.S.	L 11 last Sec. In 10 last Olici	06 2012 Ox.Col.Pf	. 2	3	GKR 599 25 45 55 13 15 20 (MGC) 420 11 29 37 27 28 55
2003 4180 100		1 :	34pp	68 ₉ 25 ₀	Exerci 11.25p Cesteiner Hon-	Con Bail Pf 2000 Hat. Co. Cons Lu	5 10p 1990	, S	3	(*400) 428 11 29 37 27 28 35 Grant Met. 550 26 53 49 15 20 24
100; 100;	ドル ドル 関 ドル ドル	1 :	4	22mm	Machilit & Colo Myssificas Gro	nam 9.5 pp. Cy 8 np 9.375 pp. Cm	62005 Pl	1,00	1)-	(50.) 60 7 2 2 5 6 7
•	F.P.	٠.	550	250	York Dres B.S	p Olet) Rd.Cr.	· 200	- 55	1	LCL 1850 90 132 150 8 18 28
				2.	-		. `		-	(*1118) 1100 52 95 119 22 52 45
						De	_	<u> </u>	 :	1150 25 69 92 47 25 45
	<u> </u>	.T.	- 161	HANGE I	S OFFE	<u> </u>			, 	Klasfisher 280 15 20 25 8 14 17
lava Prio		L Latest Resource	196	99/90	İ	Stock		Citysing Price	+47	(284) 300 6 10 18 20 27 28
9	. 🍱	Date	High	low				.b	. J	Ladirole 200 16 24 35 6 14 16
- 746	1 7			L'Agent Span	Electra law. To	<u> </u>			 -:	(25) 30 64 14 25 16 22 29
								900	1 41	
28 1:10		19/4	9pm 9pm 191 ₂ pm	161200	eGC Floor. & Caclic Resource	#		174 pm	1	Land Serv. 469 . 22 . 35 . 47 . 8 . 18 . 71.
28 k10 22 290	MI MI MI MI MI MI	30/3	2500 dbul 1345000	16 ³ 200	Gaelic Resum Goodiiya Geo Leigh Nacreti	# 19 59 1 59		271, pm 2500 5100	1	
250 1710 22 270 150	MI MI MI MI MI MI	30/3	2500 dbul 1345000	16 ³ 200	Gaelic Resum Goodiiya Geo Leigh Nacreti	# 19 59 1 59		271, pm 2500 5100	1	Land Scorr 440 22 35 47 8 16 71. (466) 500 5 15 27 35 40 45
28 1/10 22 290 150 100 a Assa	MI MI MI MI MI MI	30/3	2500 dbul 1345000	16 ³ 200	Gaelic Resum Goodiiya Geo Leigh Nacreti	# 19 59 1 59	d or payable	271, pm 2500 5100	1	Land Secur 446 22 35 47 8 18 21 (*468) 500 5 15 27 35 40 45 8 4 5 180 17 22 28 11 41 6 6 195 20 4 81 16 10 22 15
28 ly10 22 290 150 100 a Ass cover ba Dividence prodous	MI MI MI MI MI MI	30/3	2500 dbul 1345000	16 ³ 200	Gaelic Resum Goodiiya Geo Leigh Nacreti	# 19 59 1 59	d or payable based on pro dividual rai stimules for	271, pm 2500 5100	1	Land Scorr 449 22 35 47 8 18 21 (448) 500 5 15 27 35 40 45 (448) 17 22 28 12 42 6 (125) 200 4 82 16 10 12 15
28 ly10 22 290 150 a Amm cover base previous previous and yield based on	MI MI MI MI MI MI	30/3	2500 dbul 1345000	16 ³ 200	Gaelic Resum Goodiiya Geo Leigh Nacreti	# 19 59 1 59	id or payable based on pro ethicipal rat stimutes for notal last dis-	271, pm 2500 5100	1	Land Secur 440 22 25 47 8 18 21 (468) 500 5 15 27 25 40 45 # 45 190 17 22 28 15 45 6 (125) 200 4 8 5 16 16 16 15 15 15 15 15 15 15 15 15 15 15 15 15
28 ly10 22 290 150 160 a Aam cover be divident protous and yield tassed on Divident divident divident	MI MI MI MI MI MI	30/3	2500 dbul 1345000	16 ³ 200	Gaelic Resum Goodiiya Geo Leigh Nacreti	# 19 59 1 59	d or payable based on pro dividual rat Stimutes for Stimutes for Stimu	271, pm 2500 5100	1	Land Score 440 22 35 47 8 18 21 (446) 500 5 15 27 35 40 45 45 45 45 45 45 45 45 45 45 45 45 45
28 H10 Z2 290 150 a Amm cover be bridged in bridge in bridged in bridged in bridged in bridged in bridged in bridge	MI MI MI MI MI MI	30/3	2500 dbul 1345000	16 ³ 200	Gaelic Resum Goodiiya Geo Leigh Nacreti	# 19 59 1 59	d or payable tased on pro- devidual ra- stimates for nital last dist official estin Gross, R F- rma Rigures.	271, pm 2500 5100	1	Land Secur 449 22 25 47 8 18 21 (466) 500 5 15 27 35 40 45 45 47 8 18 21 19 20 4 8 8 19 21 19 20 19 21 19 20 5 9 12 19 20 19 21 19 20 6 9 10 10 10 10 10 10 10 10 10 10 10 10 10
226 Ir10 22 250 150 160 160 160 160 160 160 160 160 160 16	MI MI MI MI MI MI	30/3	2500 dbul 1345000	16 ³ 200	Cacile Resuper	# 19 59 1 59	d or payable based on pro- dividual ra- stimates statistical official exis- y Gross, a figures, of Reintrof	271, pm 2500 5100	1	Land Secur 440 22 25 47 8 18 21 (*466) 500 5 15 27 25 40 45 45 45 46 15 20 4 84 15 20 15 20 4 84 16 10 12 15 46 6 6 724 20 5 72 17 7244 20 5 72 17 7244 20 5 72 17 7244 20 5 72 17 20 20 12 19 20 6 92 10 20 20 20 20 20 20 20 20 20 20 20 20 20
28 ir 10 22 250 250 150 150 a American Cover bar Cover b	MI MI MI MI MI MI	30/3	2500 dbul 1345000	16 ³ 200	Gaelic Resum Goodiiya Geo Leigh Nacreti	# 19 59 1 59	d or payable instel on pro- dividual ray stimates for stimates for stimates for stimates for stimates for stimates for stimates for stimates for ray of ficts for fire fire fire fire fire fire fire fir	271, pm 2500 5100	1	Land Secur
28 k-10 22 22 290 150 150 a Ann cover ba Divident throat t	MI MI MI MI MI MI	30/3 10/4	Approved the second sec	16-year 20m	Gaelle Resource Gaelle Resource Leigh haeres Redictrist, estimates d Di Nedictrist and plei and, or estimate promotion or properties for 1990-11. hatel on prot professions or official estimates in official estimates introduction.	op 50 3 59 3 59 5 6 copy Milliand ratie pur 4, E Earnings toll amount Send but a state official L Estimated in collect or 1969/90. state. W Pro Fr 6 Placing price	d or payable based on pro distinguis pro strictus for official est. Gross, R. France France, S. T. Reintrod	271, pm 2500 5100	1	Land Secur 440 22 25 47 8 18 21 (*466) 500 5 15 27 25 40 45 45 45 46 15 20 4 84 15 20 15 20 4 84 16 10 12 15 46 6 6 724 20 5 72 17 7244 20 5 72 17 7244 20 5 72 17 7244 20 5 72 17 20 20 12 19 20 6 92 10 20 20 20 20 20 20 20 20 20 20 20 20 20
288 kri0 22 22 22 22 290 150 150 150 150 150 150 150 150 150 15	MI MI MI MI MI MI	30/3 10/4	Approved the second sec	16-year 20m	Gaelic Resum Goodiiya Geo Leigh Nacreti	op 50 3 59 3 59 5 6 copy Milliand ratie pur 4, E Earnings toll amount Send but a state official L Estimated in collect or 1969/90. state. W Pro Fr 6 Placing price	of or payable based on pro- dictions on pro- dictions are supported by a distinct of the con- payable of the con- ton- ton- ton- ton- ton- ton- ton- t	271, pm 2500 5100	1	Land Secur
a Annicover account of the country o	Millian Hill Hill Hill Hill Hill Hill Hill Hil	30/3 10/4 nod. 5 Figures 10/4 nod. 6 Figures 10/5 nod on fall nodes spe 10/5 nodes spe 10/5 nodes 1	Approximately and the second s	16-year 20 year 10 yea	Gaelic Resource Goodway Geo Leigh Internal Took Respond Took Took Took Took Took Took Took Too	TIONS Security	BTP, I	27% per 27% pe	capital, jewes, s jewes, sasted on Divisional 1990, il acquisses y tambo, traited	[and Secure 440, 22 35 47 8 18 21 (466) 500 5 15 27 35 40 45 45 48 5 190 17 22 28 1½ 4½ 6 (715) 200 4 8½ 16 10 12 15 5 5 5 10 20 5½ 17 - 19 23 - 5 5 10 20 5½ 17 - 19 23 - 5 5 10 20 5½ 17 - 19 23 - 5 5 10 20 5½ 17 - 19 23 - 5 5 10 20 5½ 17 - 19 23 - 5 5 10 20 5½ 17 - 19 23 - 5 5 10 20 5½ 17 - 19 23 - 5 5 10 20 5½ 17 20 10 10 10 10 10 10 10 10 10 10 10 10 10
a Anna Carlos Dividence previous Parallel Dividence dividence dividence dividence securities	Millimited (Millimited Millimited Millimited (Millimited Millimited Millimite	30/3 10/4 send to Friguesca to Friguesca do se fall to the same species or all examings, and the same series of craftisary Third Mart Mart Mart Mart Mart Mart Mart Mart	Approximately and the second s	16-year 200 - 200	Gardic Resource Stoolstrap Gert Leigh Interest Respirate	to 50 19 50	BTP, I	171 jem 20m 7pm 10pm 10pm 10pm 10pm 10pm 10pm 10pm 10	capital, second of the capital of th	Land Secur

For settlement duly 2 For rate indications see end of London Share Service

Rises Falts Same 2 89 17 1 8 17 182 530 879 65 284 358 23 31 37	ACTIVITY in London's equity derivative markets turned down yesterday as investors waited on the sidelines for the UK Budget today. Turnover in the traded	between 1.808 calls, and 2.419 puts. The March 2,200 put series was the most active, as 630 lots changed hands. Turnover was boosted by buy-	stock market to weeken. But the market received brief support when sellers of call options bought the futures index as a hedge.
73 15 70 72 63 105	options market would have been even lower but for only modest business in March stock options which expire tomorrow.	ing of FT-SE calls. But most mar- ted participants were rejudiant to take positions before the Budget. The litters in the equity markets	The March FT-SE futures con- tract closed at a 6½ point dis- count, indicating concern that equities could be set to stage a
438 1,023 1,478	Total turnover stood at 17,657 contracts, compared with 30,609	after the sharp fall in Tokyo, the decline in sterling and the	turther decline. Of the stock options, Amatrad
	on Friday. Yesterday's total was divided between 9,444 calls and	release of the UK trade figures on Thursday were further reasons	was the busiest, boosted by clos- ing trades. A total of 1,323 con- tracts changed hands, of which
CENT ISSUES	8,213 puts. The main stimulus to options business was the closing out of expiring March contracts	tor investors to avoid a larger exposure, dealers said. These worries were reflected in	970 were calls and 353 were puts. The March 50 call series was the
Closing to Not Three-Gross P/E	and the rolling over into tuture months.	the futures market, which quickly moved to a discount against the	busiest, trading 442. Amstrad closed 112 lower at 60p, as a
Price - Die Cura Yiel Raise	The FT-SE 100 index options were the most active, trading	cash index. At one stage the discount	purchaser of 500 March puts sold stock. Another investor crossed
7 —— 121 -2 M47 33 52 7.9 17 -2 105 37 39 57 17 14 15	4,228 lots. This was divided	reached 8 points, prompting the	260 March 50 calls.
Warrants 14	Alid Lyons 420 27 38 53 7 17 22	April Apr. Jul. 9ct. Apr. Jul. Oct. Ultranetr 360 22 38 48 10 17 22 (*364) 390 8 22 32 28 33 38	Amstrad 60 1½ 8 11 2½ 5½ 9 (60) 70 1 4 - 11 12½ ~
	(*433) 460 7 18 33 31 39 43 500 1½ 7 18 68 69 72 ASDA 180 14 19 21 2 4 5½	(*964) 590 8 22 32 28 33 38	
N	(116) 110 65 13 44 5 75 16	Brit. Acro 460 40 60 70 15 24 27	Barclars 550 16 45 60 4 13 22 (*564) 600 2 18 34 37 38 45 Blue Circle 200 20 24 - 1 6 -
	8rt. Airways 180 35 34 41 1 31 51 (2207) 220 14 17 27 5 91 12 220 4 9 16 16 21 23	(1912) 900 19 40 50 35 37 45 844 390 25 35 49 13 17 20 (1911) 420 13 21 33 28 32 36	C2191 226 3 12 21 6 17 18 Strike 6as 200 12 21 26 1 4 64 C211 20 1 13 12 10 12 16
	Brit Com 60 11 17 18 3 6 11	BAT lads 800 49 65 97 25 30 37	(7211) 220 1 10 12 10 12 16
le Fd 257 +3	SmKi Bee-	(*808.) 859 14 37 70 55 58 65 BTR 420 25 40 48 15 20 23	Dinors 120 7 14 17 1 5 5 F126 130 14 8 12 5 8 10
Rama(79) _ 98.141 15.25 - 17.1 -	ches A 460 33 48 63 8 14 19 (463) 500 11 26 41 26 32 35 550 3 10 23 70 70 72	(*432) 460 7 20 - 42 43 - Brit Telecon 260 23 30 35 3½ 8½ 10 (*273) 280 19 16 23 12½ 17 18½	Elano 775 15 52 - 6 29 - 6784) 800 4 37 67 22 42 50
Spend le	Seets 260 15 22 30 5 11 12 (247) 280 5 10 20 14 23 25		Hander Stat. 600 50 80 100 1 15 30
Martin	R.P. 300 39 46 52 2 33 6 6 (533) 330 14 24 32 56 11 15 360 3 10 17 27 28 31	Cachery Sch. 300 34 47 55 5 8 11 (*322) 330 15 29 38 18 21 25	(%47) 650 13 40 70 13 40 55 Rikkelmer 249 6 15 24 4 12 14 (%42) 269 1 8 14 20 25 26
105 164 -3 45 14 37 160	Salush Start 140 - 10 12 - 71, 9	Colores 650 \$5 61 78 20 26 32 (*** 664) 700 14 34 50 50 55 58	
Ber Winst. 557, 13 53.2 U 33 bar A16 - 135	P142 145 34 - 5 5 Basi 900 29 38 42 (787) 450 10 33 43 40 47 45	GEC 200 15 20 24 6 8½ 10½ (*204) 220 5 10 15 17½ 23 23	(273) 280 1 22 29 9 17 22
Helts 135	C& Whe 500 53 71 911, 5 15 29	Hanson 220 17 21 30 5 8 9 (*227) 240 6 12 20 15 18 19	Middani Bk 330 9 52 40 3 11 19 (*357) 360 12 17 25 27 27 35
	(*539) 550 20 40 61 25 33 40 Contrade 207 26 38 45 26 11 15	(*227) 249 6 12 20 15 18 19 (JSMQ 600 43 68 88 23 28 33 (*618) 650 29 43 60 50 55 62	E Reyre 150 45, 12 195, 2 10 12 (7183) 250 ½ 45, 105, 18 25 26
EST STOCKS	(316) 321 7 16 27 17 28 32 357 2 9 - 43 48 -	P. 4.8. 550 454 61 72 94 154 224	Sears 100 2 6 8½ 2 7 10 (*100) 118 ½ 3 5½ 11 15 16
Street Price + ar	Com. Uples 420 44 53 - 4 9 - (*463) 460 12 30 37 22 24 30 500 3 14 23 56 56	(*568) (400 13½ 32½ 43¾ 36¼ 40½ 437 Pilitianian 200 23 28 33 3 7 9	TRF 240 15 21 29 1 8½ 11 (*254) 260 1½ 10 20 8 17 21
filed how Tal. 11 has Sec. Dis 2012 87%		Prodestal 180 21 27 39 3 5 7	(*254) 260 1½ 10 20 6 17 21 Thoma EMI 700 17 59 66 4½ 21 35 (*713) 750 1½ 30 40 40 45 62
Hilds how. Tett. 12 Ingres Sec. 10th 2012	(400) 420 11 29 37 27 28 35	· · · · · · · · · · · · · · · · · · ·	TS8 120 10 17 19 1 3 5 (**130) 130 3 11 13 2 7 10
eres II. Zap On at Pf 2005 105	(561) 600 7 25 42 45 45 47	Racal 200 - 27 35 - 10½ 12 (*209) 210 14 10⅓ 2.T.Z. 500 59 70 82 12 14 18	Vani Reeks 100 12 20 25 2 9 13 (**107) 110 4 15 21 5 13 18
	(C1. 1850 99 132 150 8 18 28 (*1118) 1190 52 95 119 22 52 45	9.T.Z. 500 50 70 82 12 14 18 (537) 550 18 40 52 35 25 40 Sept. A Bar 200 26 12 40 9 13 16	Welcome 650 25 67 95 2 25 37 (%73) . 700 2 40 68 30 50 60
OFFERS	Kingfigher 200 15 20 25 8 14 17	(*290) 308 15 23 30 18 24 27 76529 200 94 174 224 64 84 10	1)100 FT-SE 1000X (*223) 2125 2135 2225 2235 2335 2425 2475
Stock Closing +or	Ringflater 200 15 20 25 8 14 17 (7254) 300 6 10 18 20 27 28	(*202) 220 24 74 134 22 224 234	CMTZ
	Jahrele 200 16 24 % 6 14 16 (205) 300 64 14 25 16 22 23	Foresti 35 5 7½ ~ ¼ 2 ~ ['39') 40 1 4½ ~ 2 4 ~	Jun 175 170 32 13 5 2 1 ½ Jun 175 1791 1077 82 61 45 33 23 Sep 220 - 156 - 108 - 69 - Out 258 - 198 - 148 - 108 -
GC Floor. 6: Furnish, 10p	Land Secur 460 22 35 47 8 18 21. (*468) 500 5 15 27 35 40 45	Spiles Are July Are July	PUTS 8 13 30 60 101 147 100 268
5 100 5 100	1	Inguar 800 1, 1, - (1949) 850 1, 1, 1, -	Sep 50 - 80 - 125 - 180 -
conseq 1 consistency management of 7 pth 1 closests, d Divident management of capital, earliest piled or purplie on part of capital, earliest piled or purplie on part of capital, earliest several seal piled, a Emississ inside divident rate, cover hasted seminated and piled of the part of the p	管長5 1数 17 22 25 15 45 6 (195) 200 4 85 16 10 22 15	Option Her Jon Sty Mar Jon Sty	FT-9E DIMEY (*2257)
, or encurate amendment enterest rate, cover based on respectus; or other official estimates for 1989, K Divident r 1990-12. L Estimated Amendiand divident cover and pie-	STC 244 15 27 25 9129, 17	Polity Peak 360 18 57% 40 2 13% 24% 1975) 990 2 20 33% 16% 26 40%	2150 2200 2250 2350 2400 2450 2500 CALLS
ed on properties or other official estimates for 1990. It estimates for 1989/90. Q Gross. R Foretaet amorphon fficial estimates. W Pro Forma Gyenes, y listent by insuler, topolocion. § Plackay price. If Reintroduction. § Validated	Salashary 260 12 19 29 6 97 ₂ 10 (262) 280 4 9 17 20 20 22	The Res Water 140 11 17 21 15 3 65 (121) 160 1 6 9 10 12 12 12 12 130 5 2 34 30 36 36	Mar 92 50 22 7 3 11 6 6 6 4 4 1 1 1 1 1 1 1 1 1 1 1 1 1
tradaction. § Placing price. 11 Reintrofaction. § Volisted .	Shell Trans. 450 16 35 48 30 17 22 . (*462) 500 4 17 27 40 40 45	Water Bide	May 140 106 77 53 55 23 14 10 See 159 125 93 67 48 32 23 15 Dect - 225 - 145 - 123 - 85
	Starthoun 120 6 12 14 41, 9 11 (121) 130 3 10	Phg 1500 60 120 150 10 40 90 (7150) 1 1500 20 90 120 25 60 120	PUIS
AL OPTIONS	Trafelour 300 54 41 52 3 9 12	1600 15 65 90 66 80 155 Markins Ann Ann Ann Ann Ann	Mar 20 17 42 82 130 175 225 275 Apr 27 40 63 95 132 179 228 277 May 36 52 7212 105 138 180 290 280
Auto. Security, BTP, Fed. Hous- ing, Union Square, Butte Mining,	(325) 330 13 23 35 16 23 25	Resides 1050 55½ 93½ 119 28 44% 57½ (*1064) 1100 31½ 67½ 95½ 55½ 70½ 81½	Jan 42 59 85 110 143 186 232 280 Dec 7 - 97 - 140 - 206 - 280
Dewey Warren, Amstrad, Aviva Put., Crystalate, Willon, Babcock	But Riscotts 300 23 34 42 5 64 12 (1920) 330 5 17 26 23 23 26	Opline Her Jos Sig Her Jos Sig	Narch 19 Total Contracts 17.657
Int., Termac, Lon. & Edin. Tet., Brit. & Comm. and Oliver Res. Put	Uniting 600 71 82½ 105 2 6½ 10¼ (%64) 650 26¼ 46½ 70¼ 14% 22½ 27 700 4¼ 23 43%, 50 53¼ 56½	Above Nat. 180 7 18 22 1½ 8 10 (185) 250 1 7 12 16 17 19	Calls 9,444 Pats 8,213 FT-SE loder Calls 1,809 Pats 2,419 Sare FT-SE Calls 163 Pats 253
in Body Shop.	W +4 25 634 30 334 354	<u>· · · · · · · · · · · · · · · · · · · </u>	"Underlying security price. It Long dated capity miles
	the second secon	•	

UK COMPANY NEWS

Profits advance by 15% but Linfood acquisition keeps earnings in check

Enlarged Booker improves to £90.5m

By Clay Harris, Consumer Industries Editor

BOOKER, the agribusiness, food distribution and health products group which holds the copyrights to Agatha Christie's works, increased pre-tax profits by 15 per cant to £90.5m in 1989 but lifted earnings per share by only

TUESDAY MAPCE

or UK unit h

Marie Control of the
Section 1

100

War average

Grand and the second
gn broke

1.4 per cent. Whatdunnit? The main suspect for the fractional rise in eps to 37.1p (36.6p) was the dilutive effect of a two-for-seven rights issue in 1988 to finance Booker's £90m purchase of Linfood, the cash and carry chain.

But Dame Agatha herself was also implicated in the lagging earnings performance relative to pre-tax profits.
The sale of US paperback rights contributed to a sharp rise to £5.2m (£2.1m) in profits attributable to minorities. Christie heirs retain a 34 per cent interest in the copy-

The pre-tax rise from £78.7m came on turnover ahead by 36 per cent to £2.51bn (£1.84bn). A final dividend of 13p raises the total by 8.3 per cent to 19.5p (18p). In its main activities,

Booker's agribusiness side saw profits fall to £26m (£34.1m). The global salmon glut pulled Ibec Aquaculture into loss in Canada but Scottish-based McConnell Salmon

tish-based McConnell Salmon managed to break even. The division also suffered because of losses at Middle-brook Mushrooms, which was stunted by planning delays: for a new growing facility, and because farmers reduced their mantings of protein their plantings of protein peas, a mainstay of Booker's seed business. Booker is seeking buyers for its agricultural seeds operation. It will con-centrate on expanding the vegetable and flower seeds side of its Danish-based

Dachnfeldt subsidiary, Food distribution more than made up the slack as pre-tax profits rose by 66 per cent to £39.1m (£23.5m) com-pared with an increase in pared with an increase in turnover of only 39 per cent. The integration of Linfood proceeded, with the closure of 38 depots. Booker is the UK's leading cash-and-carry operator with 172 outlets and a 27 per cent market

which is trying to develop a US-style supply business to fast food outlets in Britain increased sales, profits and market share and won what it described as a major contract with Burger King.

Booker Food Services,

Health products lifted prof-its to £10.2m (£7.4m). Holland & Barrett, the 180-shop retail chain, returned to profit with a sales mix of 40 per cent food, 60 per cent non-food.

Booker took majority con-trol of P Leiner Nutritional Products, the consolidation of which was another factor in the higher minorities charge. Another was the merger of Booker's Kingswood with GK Chemists to create Britain's fourth largest chain of pharmacies. Booker owns 60 per cent of Kingswood GK.

Other activities, which include Loseley Dairy Products as well as the rights to the works of Dame Agatha, Ian Fleming and other authors, accounted for profits of £15.2m (£13.7m).

Costs related to discontinued UK agribusiness activi-ties contributed to an extraordinary loss of £8.9m

(£18.1m). Expecting sterling to fall further against the dollar,

Booker has not yet hedged its North American exposure for 1990. Last year, such an oper-ation enabled it to translate US profits at \$1.51 instead of the year-end value of \$1.61.

• COMMENT

Booker did well to break even in Scotland and contain its Canadian losses on salmon to less than film. But even as a low-cost producer, and one trying to "de-intensify" its farming methods to improve survival rates, Booker still must cope with an iceberg of frozen salmon overhanging the world market. In food disthe world market. In lood dis-tribution, the progressive introduction of a sophisti-cated computer system (cost-ing £6m over three to four years) should allow the group to squeeze more benefits from the Linfood secretistion. from the Linfood acquisition. Nevertheless, the scope for margin improvements is finite. Holland & Barrett was half a century ahead of its time, but now is buffeted by a host of copycatting latecomthan Taylor, Booker chief executive, maintains: "In a Holland & Barrett, you get an all-green shop. You don't have to look for a special shelf." But shopping patterns are moving against H&B unless it can distinguish



Jonathan Taylor: An all-green

itself in service. Assuming pre-tax profits of 299m, the shares stand on a prospective p/e of 10.6 at yesterday's mar-ket price of 416p, down 7p. Even a yield of 6.2 per cent does not make them immediately attractive.

BTR acts to gain list of Norton's shareholders

By David Owen

BTR, which last week unveiled a surprise \$1.64bn (£1.01bn) cash takeover offer for Norton Company, has filed suit in Boston, Massachusetts, seeking to compel the abrasives advanced ceramics and performance plastics manufacturer to hand over its shareholder list and related materials.

The industrial conglowerate said that the suit seeks an expeditions ruling to allow direct communication with Norton shareholders.

Norton shareholders.

The group has also filed suits to try to remove the obstacles created by both the Norton shareholder rights plan and the Massachusetts business combination and control share statutes.
BTR said that these statutes

BTR said that these statutes could be used to prevent it either voting the shares it buys or acquiring any minority shareholding that does not accept the tender offer.

Norton has responded to the bid by urging shareholders not to sell their stock and to await the optrome of an evaluation

the outcome of an evaluation which will be announced by

March 29.
BTR intends to seek majority board representation if the offer has not been endorsed by Norton by March 30.

Invesco insurance arm sold for £43m

By Andrew Bolger

Arrow, has agreed to sell its insurance arm for £43m to Unum Corporation, the leading provider of long-term disability insurance in the US. Unum will buy National

Employers Life Assurance Holdings (NEL), the holding company for Invesco's insur-ance activities. NEL is a medium-sized business focused on the independent broker market. Its principal activities are Ret. Its principal activities are life assurance, pension mort-gages and permanent health insurance, which provides groups of employees with cover against disability. Lord Stevens of Ludgate, chairman of Invesco, said: "It

is our stated intention to con-tinue the development of the group into a global fund management business. The risk nature of much of NEL's business is incompatible with this

objective.
"Accordingly, we believe that shareholders' interests will be best served by the pro-posed disposal of NEL, the pro-ceeds which will be used to reduce group borrowings and will provide additional resources to fund expansion of our core activities.

"Our negotiations with Unum have also created an purchase price.

DOWN FROM £47.4m to £19.8m

INVESCO MIM, the UK opportunity to forge new links investment management group formerly called Britannia has agreed that Invesco MIM should continue to manage NEL's investment portiolio and we are also discussing the possibility of managing a part of Unum's investment portfolio in the US and internationally."

NEL made pre-tax profits of £1.5m in the year to December 31, 1988. On the same date, the book value of invesco's invest-

ment in NEL was £35.2m.
The sale is conditional on confirmation from the Office of Fair Trading that it is not the intention of the Trade and intention of the Trade and Industry Secretary to refer the proposed transaction to the Monopolies and Mergers Commission, and on the Trade and Industry Secretary having no objection to Unum becoming a controller of each of the five UK insurance companies in

Completion will take place following satisfaction of these conditions, which is expected to be before the end of June.

The consideration for the sale is £40m, subject to adjustment by reference to net assets at completion. Invesco will retain debtor balances and Unum will accept obligation of Invesco to NEL. Taken together, these conditions will add an estimated £3m to the

Evans Halshaw thrown into reverse with £9.2m

By John Griffiths

THE DOWNTURN now gathering pace in the UK vehicle and vehicle parts mar-kets threw Birmingham-based motor distribution group Evans Halshaw Holdings into reverse in the second half of

A 15.5 per cent pre-tax profits increase at the half-way stage was converted into an 8 per cent decline by the year-end on December 31.

The drop was due to a "very disappointing" performance by the group's recently-assembled Moprod Supra parts distribu-tion business, according to Mr Geoffrey Dale, chairman.

He insisted yesterday, however, that "1990 won't be as tough as last year".

Profit before tax fell to £9.17m compared with the previous year's £10.03m, in spite of a 37 per cent increase in turnover to £400.79m (£291.61m).

Earnings per share fell to 27.4p from 36.9p, although this reflected the full impact of a 1988 five-for-11 rights

The group's mainstream car. sales and servicing activities— it has more than 30 dealerships ranging from Ford to Ferrari actually increased profits at the trading level. They were up nearly 6 per cent at

19.36m(f8.8km). But the fact that most of the near 40 per cent rise in turn-over came from higher unit sales and the acquisition of extra dealerships serves only to underline that profit margins in the volume cars business have become much

While agreeing with indus-try forecasts that sales of most new cars and commercial vehicles will fall this year, Mr
Dale asserted that after-sales
and service activities would

There is a recommended
final dividend of 7.65p,making
a total of 11.25p(10p).

provide "a good degree of pro-tection" to profits.

Service and part sales through the franchised dealer natworks.— thus excluding Moprod Supra - now contrib-ute 56 per cent of motor group profits, compared with 36 per cent from the sale of new and used cars.

The group should also be helped by its broad presence in the more up-market car franchises, where margins remain much stronger than in the vol-

The Moprod Supra operation seems likely to remain a prob-lem area for the group. Its trad-ing profits plunged to £318,000 last year from £1.3m, as many of the independent parts retailers it supplies took fright at rising interest rates and falling demand and cut stocks accord

ingly.

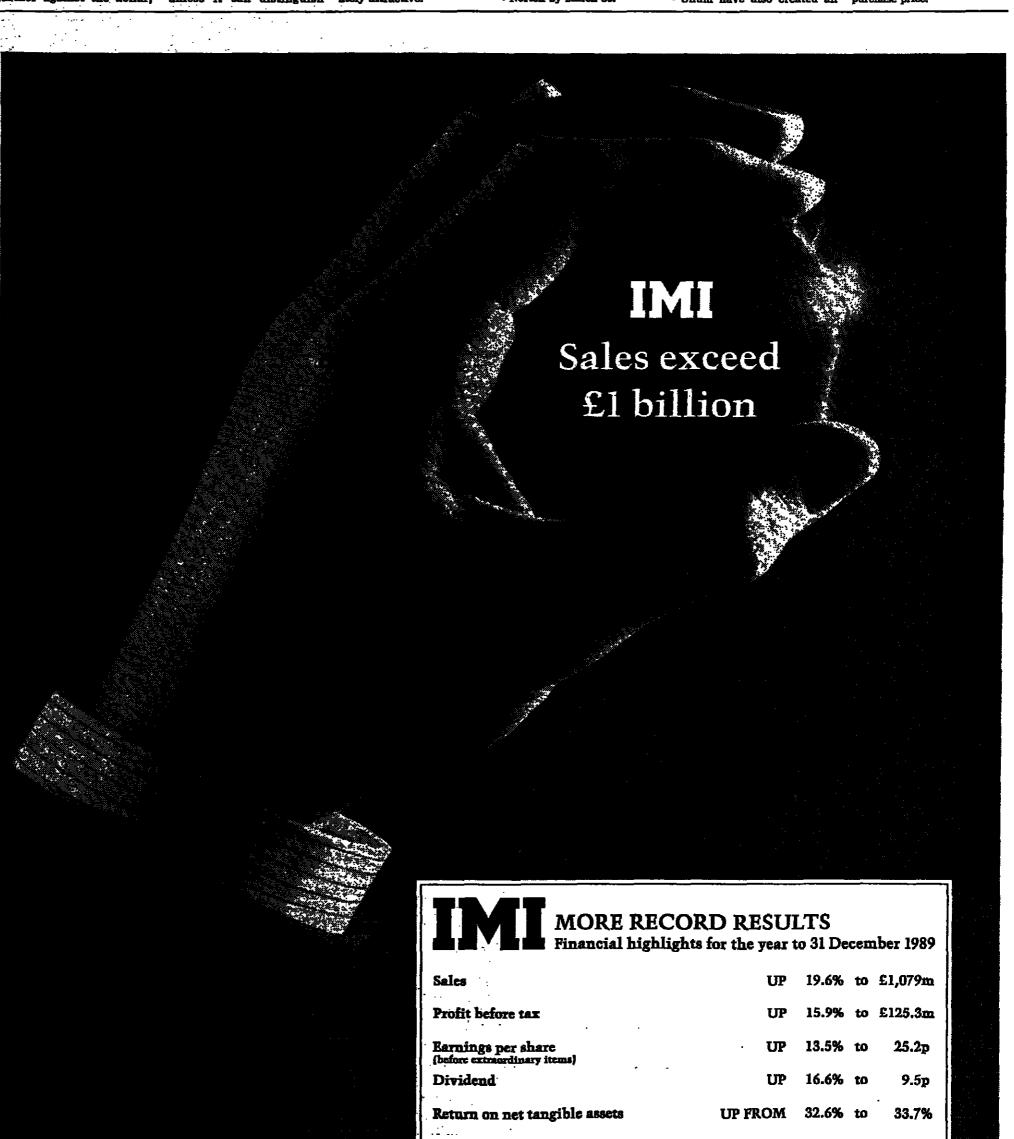
Moprod's poor performance

leron part due is said to be in large part due to a longer and more complex process than expected in integ-rating the previously separate Moprod (bought in 1996) and Supra (benght in December

1996) groups.
Two other fundamental changes involved partial disengagement from the increasingly troubled contract hire sector under a deal with the TSB's Swan National leasing group; and an increased hold-ing in a related vehicle management company, Evans Hal-

shaw Financial Services. With net assets of £40m swelled by a property revaluation indicating £15m over net book value, and a £4.5m penis well placed to resume the acquisition trail this year, said Mr Dale.

There is a recommended



DIVIDENDS UP BY 15.5% RESULTS 1988

Refuge Group

RESULTS 1989

"This was a year of strong underlying profits growth with the life assurance results being particularly buoyant. The company has entered the nineties

Chairman Tom Booth reports:

with confidence."

PROFIT FOR YEAR 10.88* 12.87 after tax (£m) DIVIDEND per share 6.50pInterim paid Proposed final payable 14.50p 11th May 1990 17.00p 24.25p 21.00p

• Refore non-recurring profit of \$2.71m



Refuge Group PLC

Refuge House, Alderley Road, Wilmslow. Cheshire SK9 1PF Telephone: (0625) 535959

PROSTERED NUMBER: 1864686 ENGLAND

BUILDING PRODUCTS • DRINKS DISPENSE • FLUID POWER • SPECIAL ENGINEERING • REFINED AND WROUGHT METALS The Annual Report will be published on 18 April. If you would like a copy, please write to: The Secretary, IMI plc., PO Box 216, Birmingham, B6 7BA

Net borrowings

FINANCIAL TIMES CONFERENCES

THE SEVENTH **EUROPEAN**

21 & 22 May, 1990 **Amsterdam**

-a major conference timed to coincide with Petrotech 90

The main themes to be discussed are the impact of political, social and economic changes in Eastern Europe, increased demand for natural gas and transport fuels, the effect on the environment and subsequent costs for environmental protection, price stability and the supply of crude oil to the vast European market. Speakers include:

Dr Subroto

Secretary General

Mr Gilbert Portal Secretary General **European Petroleum Industry** Association

Mr Bernard de Combret **Executive Director Elf Aquitaine Group**

Mr Andrew Hall President Phibro Energy, Inc

Mr Johan Vold Senior Executive Vice President Statoil

Dr Marcello Colitti Energy Adviser to the Chairman

Mr Humphrey Harrison Director, Energy Research Kitcat & Aitken

Mr John Browne Managing Director and Chief

BP Exploration Company Limited

Mr Pieter Koppenol **Senior Managing Director** Comprimo BV

Mr Wilhelm Bonse Member of the Board Yeba Oel AG

Dr Eugene M Khartukov Chief of World Energy Analysis and Forecasting Group (GAPMER)
Ministry of Foreign Affoirs of the USSR

Mr Ronald Grisard Chairman Avia International

Mr Laurens Jan Brinkhorst Director General, DG XI Commission of the European Communities

Mr Yuri Domrachev Vice President Sojuzgazexport, USSR

EUROPEAN PETROLEUM AND GAS

Please send me further details.

A FINANCIAL TIMES CONFERENCE

126 Jennyn Street, Tel: 01-925 2323 F	I ARABAR SWI	IY 4UJ 25 Th:: 27347 FTCONF G
Name		
Position		<u> </u>
Company		
Address		
Postcode		Country
		Fax
Type of Business		

To: The Financial Times Conference Organis

UK COMPANY NEWS

Increase in equity base leaves uninspiring bottom line

Acquisitions help boost Canning

By Richard Tomkins, Midlands Correspondent

W CANNING, the speciality chemicals and electronic components group that has expan-ded rapidly on the Continent, notched up a 28 per cent increase in pre-tax profits to 69.03m for 1989.

A hig increase in the number of shares in issue, however, left the company struggling to register an advance at the bottom line: earnings per share were 21.7p against 21.3p last time. A final dividend of 4.35p is recommended, making a total for the year of 7.15p (6.5p).

The profits advance was given a boost of about £1.3m by four Continental acquisitions during the year: Gamlen, Lev-enit and Reico in the speciality chemicals division and ECC Elettronica in electronic com-

ponents.

The group also had the benefit of a 2400,000 cut in interest charges arising from October's 216.7m rights issue.

Speciality chemicals increased profits from 24.14m to 25.99m. A downturn in UK

nand towards the end of the year was outweighed by strength in exports and in Con-tinental operations.



Ron Brown, finance director (left), and David Probert, chairman: expecting a good performance overall.

Carbo.

Electronic components increased profits from 23.24m to 23.77m. A better performance was hindered in the last quarter by margin pressure in the market for semiconductors and by a cooling of the Spanish

Group turnover was £108.7m (180.3m). An extraordinary debit of £3.83m was attributable to a loss of £2.8m on the disposal of John Betts Refiners, a provision of £1.6m against the investment in Medserv, and a £400,000 profit on the sale of the group's stake in

Canning said that although canning sam that although the oversupply in Continental semiconductor markets had carried through into 1990 it expected a good performance overall. A debt/equity ratio of inst 12 per cent meanwhile. just 12 per cent, meanwhile, left room for further expan-

COMMENT

Canning increased its equity Canning increased its equity base from 18m shares to 28m in 1969, and yesterday paid the price in an uninspiring bottom line that left the shares 6p off at 214p. Partly that reflects the disappointments of a last quarter that left profits short of expectations but electronses. expectations, but gloom over the outlook should not be over-done. With £500,000 of losses from the silver refining opera-tion now absent, a full year of the rights issue proceeds tion now absent, a full year of the rights issue proceeds adding a further £1.8m or so, and last year's acquisitions in for the whole 12 months, the group will struggle to make less than £12m next time aven if there are no further acquisi-tions and the existing tions and the existing operations stand still. An earnoperations stand still. An earnings per share increase of 11 per cent to 24p is nothing to set the world alight, but at least it looks — from this distance — something like the worst possible scenario. On that basis, and given the relatively low exposure of the company to the UK market, a prospective p/e ratio of under 9 looks undemanding.

Lloyd Webber

forced to sell

Palace Theatre

Mr Andrew Lloyd Webber

said yesterday that London's Palace Theatre, which is part of his stock market vehicle Really Useful Group, was not

The composer, who is in

will not be

By Andrew Hill

Colorgraphic ahead to £3.78m

ACCOUNTING ERRORS at a direct mall subsidiary shaved about £500,000 from pre-tax about 2500,000 iron profits of Colorgraphic, the USM-quoted advertising products and annual reports printing concern, last year.

mg concern, last year.
But the sale of a property in
Edinburgh, which gave rise to
a £299,000 exceptional profit,
helped lift the pre-tax result to
£3.78m (£2.98m), a 27 per cent

Rarnings per share, which without this profit would have been up 8 per cent, advanced 17 per cent to 19.15p (16.34p). Mr Nick Winks, chief execu-

ive, warned the stock market tive, warned the stock market of the accounting problem last December. He said yesterday he thought Colorgraphic would have made about 24m pre-tax profits for the year, without the impact of the problem and

Turriff

advances

to £5.82m

STRONG GROWTH in its property and construction sub-sidiaries helped Turniff Corpo-ration, the construction, plant

group, to a 34 per cent increase in pre-tax profits to 25.82m for

The advance from £4.35m

The advance from £4.35m was struck on turnover which rose 39 per cent to £151.52m (£109.04m), and earnings per share improved 50 per cent to 53.6p (35.7p).

A final dividend of 10.75p is proposed, making a total of 15p (11.5p) for the year, an increase of 30 per cent.

of 30 per cent. Construction and property

Construction and property subsidiaries now account for more than 40 per cent of the company's profits. Although the decline in the housing market meant that the company sold only 55 homes, the reduction in profits from this sector was covered by the increased contribution from commercial

contribution from commercial

70% improvement at

Sheffield Insulations

In its first set of results since flotation on the main market in May, Sheffield Insulations

Group lifted pre-tax profits 70 per cent from £3.22m to £5.48m.

Mr Norman Adsetts, chair-man of this distributor of ther-

mal insulation and related products, said that the overall

products, said that the overall performance in 1989 had been excellent in spite of the slowdown in new housing.

He added that new building regulations — to be introduced from April — in which insulation standards in new continuous condenses in new continuous
tion standards in new con-struction are to be increased, along with the concern for environmental issues, would have a significant effect on the

future market for energy con-

BOARD MEETINGS

meetings to the Stock Exchange, strings are usuably held for the pur-relating dividends. Official indica-not available as in meaning and

servation products.

property.

the property profit.

He said the accounting problem had now been sorted out. Believed to have occurred at the Colorgraphic subsidiary in Nottingham, it had given rise to understating of overheads and overstating of

Mr Winks said the trading outlook for 1990 was encourag-ing. "The UK market for direct response products is con-tinuing to grow, despite the general economic slowdown. Our orders for January and February were 17 per cent above those for the same period last year and margins

were firmer. vere nimer.

Colorgraphic also amounced yesterday the acquisition of the UK-based Pipphrook Software for an initial consideration of \$200,000 and a maximum \$2.8m deferred.

NEWS DIGEST

Turnover rose more modestly to £107.56m (£191.8m) and the profits were boosted by

the profits were constant by exceptional credits of £782,000. (285,000) from property sales. Ramings per share grew to 17.4p. (12.4p) basic and to 15.9p fully diluted. The proposed final dividend is 8.3p.

Port side and cut in

A sharp rise in profits from port operations and lower interest payments helped James Fisher & Sons, the ship-

ping group, increase pre-tax profits by 38 per cent from £3.06m to £4.25m in 1989. Turn-

23.06m to \$4.25m in 1969. Turn-over was slightly down at \$26.76m, against \$27.59m. Shipping profits edged ahead from \$2.59m to \$3.69m, while the ports contribution grew to \$542,285 (243,885). Investment income expanded from \$460,459

to 2659,529 and interest pay-ments were cut to £662,945

After tax of £1.11m (£1.04m)

earnings per 5p share came to 13.04p (8.44p). Directors recom-mended a final dividend of 3p

Benson Group, the heating, towing bracket and agricul-tural machinery manufacturer, incurred a deficit of £490,000.

for the six months to end-No-

The Powys-based group achieved taxable profits of

£516,000 in the corresponding period of the previous year.

interest charges more than doubled to £252,000 (£107,000).

The loss per 10p share worked through at 1.27p (earnings of

Edinburgh Oil &

for a total of 5p (4p).

Benson incurs

£490.000 deficit

(£1.04m).

Capital investment of nearly 25m and a series of acquisi-tions were reflected in a rise in net interest payable to £551,000

Carson market to expand the continued to look for acquisitions. In particular, it was searching for opportunities to enter the West. German market, to expand in Europe, and to move into tele-marketing in the UK.

The main acquisitions last year were of CCS, a UK database marketing concern, and of Eikelenboom, a Dutch company which provided the basis of a sales operation on the Con-

without the acquisitions last year, turnover, which was \$54.76m (\$34.67m), would have risen by 34 per cent. A final dividend of 4.86p is proposed, making 6.7p (5.71p) for the

little relevance to the presen

Interest keeps Scott

& Robertson static

Scott & Robertson, the poly-thene film manufacturer, yes-terday reported virtually static pre-tax profits for 1989.

from £7.78m to £7.78m - was struck after a sharp increase in

interest charges to £2.34m (£1.27m). Profits at the operating level expanded by 16 per cent to £10.68m. Turnover rose

However, the outcome

to £153.46m (£142.68m).

110 barrels a day. ·

The composer, who is in California, was responding to speculation that Mr Robert Holmes à Court might try to force him to sell the Palace by retaining a minority stake in RUG, which Mr Lloyd Webber is trying to take private through a £77.4m buy-out. Mr Lloyd Webber said the

Palace, where the musical Les Misérables is playing, would be put into a trust. He maintained that this had always been his inten-

On Friday, the Australian financier raised his stake in USM-quoted independent producer, cut its losses from 296,000 to 250,000 for the year RUG to 4.33 per cent, puzzling the City by buying shares at as much as 4p above the recommended offer to December 31 1969.
Mr Alan Mcinroy, chairman, said the results were "mainly of historical interest and have

price of 233p.
Mr Holmes à Court was
still unavailable to comment on the reasons for his stake-

position of the company.

Turnover fell from £52,000 to £13,000, and there was a loss per share of 0.39p (0.75p). on the reasons to his building yesterday.

He holds the shares through Stoll Moss Theatres, the West End theatre group per snare of 0.39p (0.75p).

Since the year-end it has acquired oil and gas licences which have enabled it to double its offshore presence and increase output to more than 110 harrely a day.

which belongs to his private Salomon Brothers Interna-tional, which is advising Mr thoral, webber, said yesterday that there would be a "nul-sance factor" if Mr Holmes à Court succeeded in winning

Court succeeded in winning more than 6 per cent of the company, but that the composer would have no difficulty funding the buy-out.

Mr Iloyd Webber, who is using \$52m loan facility from Coutts, now owns or has received acceptances for \$2.26 per cent of the company's equity.

The composer has to receive acceptances representing more than 94 per

senting more than 94 per cent of RUG's shares before he can mop up the outstand-ing shareholdings compulso-

The group merged with Alida Holdings last June. Tax took 22.43m at an RUG's most valuable assets are the copyrights to Mr Lloyd Webber's more recent increased rate of 31.2 per cent (21.99m at 25.8 per cent), resultmusicals, which are worth between £50m and £60m, but ing in fully diluted earnings falling to 18.69p (22.56p). The recommended final dividend is the need to raise money refurbishment of the Palace was one of the reasons why raised to 4.5p for a total 50 per cent higher at 7.5p (5p). the group was floated three



-11 GROSVENOR GARDENS, LONDON SWIW OB Tel: 01-828 7233 AFBD member Mar. 2228/2238 -47 Apr. 2721/2733 -18 Apr. 2240/2250 +33 May. 2722/2734 -18 5pm Prices. Change from previous 9pm close



TIME TO BUY GOLD? CA1. Futures 1.td Windsor House 50 Victoria Street

Gas cuts losses Edinburgh Oil & Gas, the New opportunity begins

☐ LEARN HOW western and Japanese companies are getting in on the ground floor as former Soviet bloc countries turn to free markets and western capital to help them out

in Eastern Europe

1 YOU'VE WATCHED the revolutions on TV and read the political news in your newspaper, now you can depend on Kastern Europe TIMES to rush you the business news and analysis in one concentrated daily package mailed from Daily and Tokyo.

Barris name and address to Eastern Europe TIMES to begin your FREE trial subscription, or call 1-860-727-2795 today and be among the first in the world to see the facts, numbers at business trends every business day!



UK COMPANY NEWS

Cement group advances 24% in spite of housebuilding decline

Rugby tops £89m but warns of downturn

The same of the sa RUGBY GROUP, the cement, joinery and steel reinforce-increased 26 per cent from ment group, shrugged saide the sharp fall in UK house-building last year to increase pre-tax profits by some 24 per cent from £72.64m to £89.79m.

LANDAY MARCH

. COMMENT

Contract Contract

And the same of th

BATE COMPANY

Lloyd Weble

will not be

forced to sel

Palace Thea

was a section of the training Para de la constanta de la con

of the views barre Real | Durle, lange

Lai to read was ming

De pipe in einer inge

are the most come.

Brake in Erig auf

Same and the major of the first

Edd 7 | p. 1426 (212)

Mr netter ...

Partie marre teg.

Let Michigan III

Marian de la percenta

tian in the state of the state

å40 aut ± 11 de224 i

By Andrew Hill

It warned, however, that cement sales by UK cement manufacturers could fall by up to 10 per cent this year with the decline in house. building brought on by high interest rates expected to spread to other areas of con-

Mr Andrew Teare, managing director, said the housing market was unlikely to pick up until 1991.

Private sector commercial and industrial building was likely to decline as a result of lower tenant demand triggered by high inter-est rates. Profits this year were therefore expected to

Rugby is Britain's third largest cement company. It also has large joinery and steel reinforcement subsidiaries in the UK as well as joinery interests in the US and Australia and steel and glass operations in continen-tal Europe. Its businesses are almost

entirely dependent upon demand from construction industries. Turnover during the 12 months to end-December rose

16p to 20.1p.

The main engines of growth last year were UK cement profits which jumped 43 per cent from £29.15m to 241.64m; profits from sales of steel reinforcement to the UK construction industry, including the Channel tunnel project, which rose 28 per cent from £4.83m to £6.19m and Australian coment and lime profits, ahead 35 per cent from £7.83m to £10.55m.

There was also the first full year profits of £5.82m from Steghar, the Australian doors, windows and shower screen group.

A sharp fall in housebuild-

ing in the south of England and also in the north east and south eastern US hit Rugby's joinery profits on both sides of the Atlantic. In the UK these fall by just over 4 per cent from £22.8m to £21.8m. US joinery profits fell by 54 per cent from £5.16m to per cer £2.37m.

An extraordinary provision of £3.48m covered the cost of selling Baltic, a small loss making Australian joinery business acquired in 1988, and joinery interests in Texas. It included a provision of £2.84m for non payment of money which Rugby claims is due to Baltic.

Turnover during the 12
months to end-December rose
by 30 per cent from £516.51m
to £670.76m. Earnings per

Her to Saint.

A final dividend of 3.6p
makes 6.45p (5.2p) for the
year. Mr Teare said group
borrowings had been wiped

out by the sale of Baltic and

O COMMENT

UK cement manufacturers will this year face their first real test since the common price agreement, which allowed them to operate a cement price cartel was abandoned three years ago. Since then UK cement sales have risen sharply - so much so that almost am tonnes of cement, out of total UK sales of 18m tonnes, was imported last year. Rugby gained market share last year when it says it increased sales volume by about 7 per cent compared with about 4 per cent for the industry gen-erally. Blue Circle, the marerany. More Circle, the mar-ket leader, appears to have been the loser. Price competi-tion is likely to get even tougher this year particularly if Rugby is correct and industry sales of cement fall by 10 per cent. Meanwhile the UK joinery business could see a further dip this year as house building and residential repair and maintenance work continue to labour under continue to labour under high interest rates. The Australian and Continental busiranan and Continental pusi-nesses however are thriving and Rugby should be capable of matching last year profits of approaching £90m. Same again earnings would put them on a ple of almost 8 which does not seem unfair



Andrew Teare: housing market unlikely to pick up until 1991

VPI suspends head of NY arm | City Gate recommends

VPI GROUP, the ailing Mr Carter's suspension from UK-based public relations consultant, yesterday suspended mented. Mr Don Carter, the founder and former head of its New York proxy solicitation business, after reports in the US Press that he planned to plead guilty to two felony charges of grand larceny and income tax

From New York, Mr Angus Maitland, VPI's chief execuwe, said that he had spoken to
Mr Carter and asked him to
confirm the substance of a
report in the Wall Street Journal.

This included a statement, said to have been issued to the newspaper by Mr Carter, saying that he was "sincerely sorry for the injury caused to the clients in question". Mr Carter, said the article, confirmed his forthcoming guilty plea.

As a result of that conversa-tion, Mr Maitland continued,

coal-mining company born out of the Burnett & Hallamshire

of the Burnett & Hallamshire group, said yesterday that it still hopes to remain independent despite a formal amouncement from the Anglo United mining company that it is looking for a purchaser of its 21 per cent stake in NSM.

Anglo said that it wants to "rainyest the proceeds in the

reinvest the proceeds in the core businesses of Anglo."
At the weekend, there were suggestions that Anglo — by looking for a single purchaser

Yesterday, no one at Mr Carter's New York lawyers, Gold & Wachtel, was available for comment.
Mr Carter had already

stepped down from any enecu-tive boardroom position at VPI earlier this year. However, he remained a non-executive director and also had some residual client relationships. VPI described these as relatively minor. Mr Carter remains on the VPI payroll. VPI acquired Carter Organi-sation in the summer of 1987,

when takeover business was in full swing in the US. It paid an initial \$51m and subsequently made a further stage payment of \$25m. However, hot only did US bid

activity dwindle, but in Sep-tember last year, New York State investigators started to look into the Carter Organisa-

21% stake in NSM up for sale

buyer as being a potential bidder for NSM.
Yesterday's formal announcement from Anglo was more tactful, talking only

of seeking "a suitable corporate purchaser".

The stake is being sold via Salomon Brothers, the US investment bank which took a

near-5 per cent block of NSM shares from Anglo in a

"bought deal" last year.

opencast of the shares rather than sim-ply placing out the holding – Hallamshire saw the most "appropriate"

tion after allegations that the company might have padded its bills to clients.

The investigation, which was being conducted before a State Grand Jury, also looked into the tax affairs of Mr Carter. VPI streamed yesterday that its subsidiary had co-operated fully with the State of New York throughout the inquiry.

Asked whether VPI planned to take any action against Mr Carter if guilty pleas were made, Mr Maitiand said that if there were any undisclosed liethere were any undisclosed liabilities in Carter Organisation at the time of purchase, VPI had certain warranties.

and certain warrances.
That, he said, was "not necessarily" the only course of action, "if there is any harm to VPI from this, we will have to consider our options," he added.

VPI's shares, which have already tumbled sharply in recent months, fell %p to 24p vesterday.

NSM said yesterday that the announcement of Anglo's

planned sale was no surprise,

and that it was already aware of people being approached

or people being approached over the holding.

However, its advisers indicated that their client intended to "wait and see" what solution Anglo came up with, rather than intervene directly in the sale

This announcement appears as a matter of record only.

£22m takeover bid

By Andrew Boiger

CITY GATE ESTATES, the London-based property devel-oper headed by Mr James Gul-liver, is recommending a cash offer worth £22.1m for the company from a Netherlands sub-sidiary of Fastighets Accura, which has property invest-ments in Sweden, Spain, West Germany and the UK.

The offer is worth 140p for

each ordinary City Gate share and 139.1p for each preference shares. Both types of share closed at 95p last night, 40 minutes before news of the deal was released. Accura said it had received

certain undertakings from the directors of City Gate and some of their family trusts to accept the offer in respect of 3.6m City Gate ordinary shares, representing 23.3 per cent of the equity.

The board of City Gate will unanimously recommend shareholders to accept the

City Gate said that in common with most property developers operating in the southern half of England it

was facing difficult trading conditions which might continue for as long as interest rates remained high; this was reflected in a substantial decline in the open market value of City Gate's property interests since March 31 1989. Accura said it was seeking to expand internationally. This acquisition gave it the opportu-nity to acquire a proven man-

agement team, which would benefit from the financial stabelief from the inguitar su-bility that a large, privately-owned group could provide in today's markets. City Gate, which was launched on the USM in 1988, made a pre-tax profit of £5.3m on turnover of £20.1m in the year to March 31 1989. In the

six months to September 30 1989, City Gate made £5.6m on nmover of £13.2m.
At the time of the interims, the board said that pre-tax profits for the full year would

Metalrax advances 16%

METALRAX Group, the Birmingham-based specialist engineer, lifted taxable profits for 1989 by 16 per cent to

The increase from the previous year's £6.09m came on turnover sheed a commensu-

(252.12m).
The tax charge was up from \$2.06m to \$2.28m and earnings process.

NSM shares gained to at 90p yesterday, capitalising the entire group at £198.8m.

8.79p, compared with 7.74p The proposed final dividend of 2.84p brings the total for the year to 3.8p (3.164p adjusted). For the 21st consecutive year

directors are making a one-for-10 scrip issue, involving the capitalisation of £266,140 of

first quarter profits fall to £8.1m

By Clare Pearson

BLUE ARROW, the employment agency which plans to change its name to Manpower, yesterday reported first quarter pre-tax profits down from £9.86m to £8.12m.

The planned name change and move to headquarters in Wisconsin will mark the final reversal of Blue Arrow's audacions \$1.3bn purchase of Man-power in 1987. It will also distance the company from the City scandal that emerged from the handling of Blue Arrow's rights issue that

Mr Mitchell Fromstein, the current chief executive, plans to self-off most of the non-Manpower subsidiaries, in the UK and elsewhere, to reduce

The three-monthly statement is made to comply with US regulations arising from the high proportion of the company's shareholders, estimated at 75 per cent, who are in the US.

It is stated in accordance with UK accounting practices. Figures published in the US yesterday showed a loss at the pre-tax level, reflecting a difference in the treatment of

goodwill arising on the acquisition of Manpower.

Manpower, itself, made £13.63m at the pre-tax level, a 13.6 per cent increase. By contrast the other Blue Arrow subsidiaries made lower prof-its, reflecting both lower mar-gins and a slowing in growth. Most of these are earmarked for sale to reduce debts. Group increases for the gray-

Group turnover for the quar ter was £486.57m (£357.4 Operating profit was £14.55m (£16.24m) after interest and similar charges took £5.52m (£4.89m).

Group overheads, repre ing those corporate costs not allocated to operating subsid-iaries, amounted to £909,000 (£1.5m). Earnings per share

(£1.5m). Earnings per share were 0.7p (0.9p).

Blue Arrow passed its dividend for the last financial year when it reported, on a UK accounting basis, pre-tax profits £10m lower at £65m.

There was also a £49m extraordinary write-off, mostly relating to a controversial £25m loan to help finance the America's Cup challenge.

Scholes Group hit by housing decline

The impact of high interest rates on house construction was a major factor in the 34 per cent decline in pre-tax wrofts reported in the six months to end-December by

Scholes Group.
The company, which has The company, which has been making acquisitions with a view to shifting away from the housebuilding and refurbishment business, yesterday reported that profits had fallen from 22.86m to 22.55m from turnover little changed of 221.86m (222.31m).

at 221.88m (£22.31m), Scholes said the acquisition of Dorma Smith, the industrial as During Sainter, the manuscrial switchgear specialist, would reduce its dependency on the housing business to some 55 per cent of turnover. After tax of £923,000 (21.39m), earnings per share were 4.6p (7.3p). The interim dividend was 2.6p (same).

Blue Arrow | Acquisitions provide growth spark as Hickson tops £37m

HICKSON International, the set by problems in preserva-chemicals group based in Caschemicals group based in Cas-tleford, Yorkshire, increased pre-tax profit by 38 per cent in 1989 in spite of a cut in earnings from its most UK-bound.

The £37.12m taxable profit was made on turnover of £404.92m, 44 per cent up on 1988. Virtually all the growth came from acquisitions. An operating profit of \$42.16m (£28.58m) was eroded by a more-than-doubled interest charge of £5.31m (£2.1m). Gearing rose from 55 per cent to 82 per cent.

The engine room of the business is the chemicals division, which accounted for 44 per cent of sales and 68 per cent —

226.4m — of profit.

This included a £9m profit from two 1988 acquisitions:

Manro, based near Manchester, which makes surfactants for detergents and toiletries, and Kerley, of Phoenix, Arizona, which reprocesses sulphur from oil and gas refineries to produce ingredients for agricultural products.
Mr John Marvin, chairman,

said margins had peaked in the middle of the year because of a shortage of capacity. Since more had become available, prices have gone off the boil a

The rest of group sales came roughly equally from the timber protection and merchant distribution divisions, with the former more than doubling its profit to £10.9m and the latter

slipping to £10.5m and the latter slipping to £4.9m.

The geographically diversi-fied timber protection wing saw margins improve after the elimination of losses in Singa-pore and New Zealand.

Elsewhere humant demand saw margins improve after the elimination of losses in Singapore and New Zealand.

Elsewhere, buoyant demand for coatings in Europe was off-

Thanks to the merchant distribution business, half of Hick-son's sales lie in the interest-rate-becalmed UK. In the US timber protection market, Wol-man should have an easier year but hopes of a real upturn are still tentative. This leaves

man, the former Koppers

subsidiary bought from Beazer

had a disappointing year because of a downturn in the

market and a rough ride from

competitors.
In the UK-based merchant

distribution division, which

sells floor coverings, suspended ceilings and office partitions, demand was depressed by high interest

Earnings per share grew by 16 per cent to 23.87p (20.57p). A final dividend of 5.4p makes a

total of 8p (6.75p).

expectations lying even more heavily than usual on the chemicals engine room. Yet how much room for improve-ment can there be on a year in which margins peaked? The company points to further benefits from previous acquisi-tions and its confidence is illustrated by plans to spend £33m expanding capacity. Its debt sounds worrying, but if its convertible capital bond issue is treated as equity, gearing falls to 33 per cent. A pre-tax profit forecast approaching £39m gives an undemanding prospective p/e of less than eight. The share price has drifted down as what one ana-

Runciman shares rise 5p after advance to £5.6m

By Clare Pearson

SHARES IN Walter Runciman, the shipping, security equip-ment and insurance group, yes-terday gained 5p to 540p after it unveiled pre-tax profits for 1989 slightly ahead of expecta-tions at 25.6m, a 38 per cent

The announcement was brought forward as part of Runciman's defence armoury against the unwelcome £47.8m bid from Avena, a Swedish property, security equipment and construction concern, which is pitched at 520p cash

Runciman also yesterday announced an increase in the annual dividend to 15p, 1.5p above the minimum forecast during its successful defence against an earlier hostile offer from Telfos, the UK engineer-ing concern, in 1988. Viscount Runciman, chair-

man, pointed out that these results reduced Avena's offer's exit multiple to just 12.5 times historic earnings.
"This set of results

... shows our strategy for sustained growth is the right one ... Avena's highly lever-aged bid ... is by any stan-dards grossly inadequate," he said in yesterday's defence doc-

Among other criticisms of Avena's offer document, Runci-man says the Swedish bidder had made use of data showing time charter rates for liquid petroleum gas carriers which "completely misses the point."

Avena had included a chart which showed rates for 2,500

chm carriers declining in 1989. This was in support of its claim that Runciman shareholders were risking exposing themselves to cyclical downturn in the shipping market market by holding onto the

But Runciman said this chart was irrelevant to its own operations, which form part of the Unigas consortium. The consortium had seen contracted rates increase during last year and grow still further during the first two months of

Focusing on Avena's level of gearing, Runciman said it stood at 665 per cent based on the latest available information: the pro-forma balance sheet as at end-December 1988 and indebtedness as at end-December 1989. This was before taking account of the £40m debt arranged to launch the

of Enskilda Securities, financial advisers to Avena, swiftly dismissed this calculation as meaningless

"Avena's 1989 results, to be published on Wednesday, will dispel the contention that the bid is highly leveraged," he

Runciman's turnover last year was £42.43m (£32.66m). Pre-tax profits broke down into £4.16m (£2.93m) for transport, £1.15m (£776,000) for security, £207,000 (£273,000) for insurance, and £96,000 (£100,000) for the holding company. Earnings

per share rose to 41.5p (29.4p).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
AfbeInt	1.5	July 2	1.5	-	4.35
Bookerfin	13	July 2	12	19.5	18
Canning (W)fin	4.35†	-	5	7.15	6.5
Carbofin	4.3	May 31	3.6	6.8	5,7
Colorgraphic §fin	4.86t	May 11	4.05	6.7	5.71
Evens Halshawfin	7.65†	May 15	7	11.25	10
Fisher (James)fin	3	-	2.05	5	4
itickson intifin	5.4†	May 31	4.5	8	8.75
i Mi fin	5.7	May 21	5	9.5	8.15
Ligrand	3.9	. •	3.25	5.7	4.75
Moteirexfin	2.84	June 1	2.36"	3.8	3.16°
Refugefin	17		14.5	24.25	21
RPS §fin	1.6	Мау З	1.2	2.8	22
Rugbyfin	3.6	-	2.9	6.45	5.2
Runcimen(Waiter)fin	9†	Jul 2	6	15	10.5
Scott/Robertsonfin	4.5†	June 1	3.8	7.5	5
Scholesint	26	-	2.6	-	7.82
Shelf insulationfin	3.3	May 3	-	3.3	-
Third Mile kryfin	2.05	ž	2.05	3.35	3.35
Turtiffin	10.75☆	-	8	15	11.5
Tyne Tees TVfin	13	May 14	12.25	19	17.25
W	4 454		-		:

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §Unquoted stock. •Third market. #Scrip option.

RIGGS NATIONAL CORPORATION US \$60,000,000 FLOATING RATE SUBORDINATED NOTES DUE 1996 In accordance with the provisions of the Notes, notice is bereby given that for the period 20 March 1990 to 20 June 1990 the Notes will carry a rate of interest of 81% % per annum with a coupon

CHEMICALBANK as Agent Bank

Video Arts Limited

£20,500,000 Senior Debt and Working Capital Facilities

to Fund a Management Buy-Out

Arranged and Underwritten by

National Westminster Bank PLC

Funds Provided by National Westminster Bank PLC Bank of Scotland Hambros Bank Limited

Westpac Banking Corporation Equity Finance Arranged and Underwritten by Baring Capital Investors

Mezzanine Finance Arranged and Underwritten by

Mezzanine Finance Investment by National Westminster Bank PLC Mezzanine Finance Unit

A NatWest Acquisition Finance Unit

and the state of

garage and the second of the s

200

A STATE OF THE STA

Swiss Volksbank Dividend 1989

At the Meeting of Delegates on March 16th, 1990, it was decided to pay on each share at par value SFr. 500.— and on each participation certificate at par value SFr. 50. the following dividend:

(Identification No.132 054 [Telekurs]) Coupon No. 1

"Gross " Less 35% Swiss Withholding Tax

Participation Certificates

(Identification No.132 059 [Telekurs]) Coupon No.14

Gross Less 35% Swiss Withholding Tax

The coupons can be presented for payment - free of charge - at any of our branches, from March 19th, 1990.

Volksbank LETTER

Volksbank LETTER 1/90 includes the results for fiscal year 1989 and a comment on the bank's immediate business outlook. Volksbank LETTER 1/90 is available



The international bank

SFr. 75.-

SFr. 26.25

SFr. 48.75

SFr: 7.500

SFr. 2.625

SFr. 4.875

Swiss Volksbank

Williamson Dickie Manufacturing, Company

has acquired

Clares Limited

Livingstone Fisher initiated this transaction. assisted in the negotiations, and acted as financial advisor to Clares Limited

Livingstone Fisher P.L.C.

To discuss how we can help you to find and complete acquisitions and disposals successfully,

please telephone Barrie Pearson, Managing Director, on 01-379 3461

Livingstone Fisher P.L.C.

A member of FIMBRA

"Strong Overseas Earnings" reports Trevor Egan Chairman and Chief Executive Pre-tax profit up by 18.6% Dividend increased by 19.3% Non-abrasives profits now 34% of total 4 Plastic Moulding Companies acquired INTERIM RESULTS-1988 2'000 Year ended 31st December 66,922 60,433 3,832 4,546 Profit before taxation Earnings per ordinary share 17.0p 20.1p 5.7p Dividend per share 6.8p Copies of the full Report and Accounts are available from H. Kirk, Carbo pic, Leksalde, P.O. Box 55, Trafford Park, Manchester Mt7 1HP.

Carbo pie menutactures and markets industrial abrasive proc

ist reains, polyester concrete drainage products and pit

TO THE BOLDERS OF THE CHIBA BANK, LTD. DSD 100,000,000 2% per cent. Notice of Adjustments of Couversion Price Personal to Clause 7(18) and Condition 5 of the Trest Deed dained 22nd December, 1986 constitution the Bonds, action is burely given that: . The Chibe Bank, Ltd. (the "B per Share Van 73729 o the absentation appearing on the register of shan nidens of the Bunk as of Stat March, 1990 (substa-telly, as at 17400 on 30th March, 1990, as Sist March 1990 is not a business day of the Transfer Agent of M

Hill Harels, 1990

For the six months 19th March, 1990 to 19th September, 1990 the Notes will carry an interest rate of 10% per annum with a coupon amount of U.S. \$511.11 per U.S. \$10,000 Note, payable on Bankers 1108. Company, London BANQUE NATIONALE USD 300 Million Floating Rate Notes 1985/2005 The amount of interest for the interest period beginning on 17,10.39 and ending on 17,4.90 as fixed by the reference agent will be USD 4199.99 per USD 100,000 notes being a rate about 8,30767 per cent. THE CHIEA BANK, LITE. 1-2, CHIRA-MIRATO, CHURA, JAPAN

Bankers Trust

DE PARIS

UK COMPANY NEWS

Ambitious acquisition programme pays dividends at former shoe retailer

Wassall exceeds its forecast with £3.23m

By Andrew Hill

AN AMBITIOUS acquisition programme helped lift pre-tax profits at Wassall last year. The outcome of £3.23m beat the group's own forecast of £3m and far exceeded 1983's profits of £502,000 which covered an

11-month period.
In 1987, when it was a little-known aboe retailer, the group made just £56,000. The mini-conglomerate,

which already has interests in luggage and office furniture, made the forecast as part of its successful 250m hld for Metal Closures Group, the print and packaging company.

Wassall also beat its dividend forecast of 2p for the year: it is recommending a final of 1.45p, making a total of

2.2p (lp) Turnover increased from £7.96m to £38.94m, while earnings per share rose to 10.7p

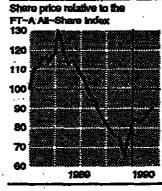
(6.1p).
Wassall won the hostile bid
wassall won the hostile bid for MCG in January and the packaging group will begin to contribute to group profits this year. The mini-conglomerate is currently examining its new subsidiary's operations, which include the core business manufacturing metal and plastic bottle-tops, as well as flexible packaging and pre-press services companies.

Mr Christopher Miller, chief executive, said yesterday: "Undoubtedly there will be candidates for disposal out of non-core businesses." non-core busin

Gearing stood at about 25 per cent at the end of the year, but the cash-and-shares bid for MCG has pushed borrowings up to nearly 150 per cent of shareholders' funds. Following disposals, Mr Miller said he hoped the figure would come down to well under 100 per cent by the end of 1990.

Hille Ergonom, the furniture manufacturer which was trad-ing at a loss when purchased in January 1988, made a profit of about £1.4m for the calendar year, after Wassall decentral-

J.W.Wassall Shere price relative to the FT~A: All~Share Index



ised management of the subsidiary and cut costs. The formiture division as a whole recorded trading profits of £3.07m on turnover of £30.2m during the year.

Travel goods – the luggage division which trades princi-pally under the Revelation and

NEWS DIGEST



Christopher Miller: non-core disposal candidates

Antler brand names - made profits of 21.14m on sales of 58.01m.

O COMMENT

The MCG acquisition may prove the first real test of Wassall's ambition to become another Hanson, the conglom-erate which was the training

ground for two members of its management triumvirate. MCG was the largest bid so far and the first hostile takeover, previous acquisitions have been agreed (Hille, Antier) or arranged through family connections (Evertaut, Toone). Judging from the effect on Hille of cost-cutting and strate-gic reorganisation, Wassall management could have a dra-matic effect on the bottle-top manufacturer, which had to forecast a downturn in 1989 profits - from £8.2m to £4.5m - as part of its bid defence.
Wassall is off the acquisition trail for the time being, but 1990 should see some MCG disposals, a strategy familiar to Hanson-watchers. If Wassali passes the test it could make more than £10m before tax this year. That leaves the shares -up ip to 215p in yesterday's weak market - on a demanding prospective multiple of 14 or more, but institutions who bought in at the beginning will be holding for the longer term.

Alba falls to £2.74m in first half

ALBA, a manufacturer and supplier of audio, video and electronic equipment, experi-enced a fall in profits of \$266,000 to \$2.74m pre-tax for the half year to the end of December, 1989.

Turnover improved from 244.84m to £56.32m. Both Alba Radio and Bush Radio performed well against the trend of trading in the UK, increas-ing market share in several areas. Overseas sales rose from £7.7m to £14.1m.

Operating profits were virtually unchanged at £3.01m (£3m). Pre-tax profits were struck after taking account of a share of losses from the related company, Network

The interim dividend is heing maintained at 1.5p from earnings of 5.21p (5.69p). The company has changed its year-end to March 31 1990 and the current period will be for nine months.

Gaskell hit by interest charges

A near fourfold increase in interest charges took its toll on Gaskell, the carpet manufac-turer, which announced 1989 pre-tax profits down to \$2.14m,

Mr Edward Andrew, chairman, said interest charges had gone up from £165,000 to £626,000 on the capital invest-ment programme. The develop-ments did not contribute fully to results but some at various plants were coming on

He said the current year had started well and order books were in good health. The retail side dealt mainly with the com-mercial sector which should remain buoyant. Exports were

receiving "considerable atten-

Sales rose 23 per cent to £37.64m (£30.55m) while trading profit was 12 per cent higher at £2.76m (£2.47m) from product ranges which included Axminster and tufted carpets, tiles, underlay, sports surfaces, and automotive upholstery. Earnings fell to 27.9p (30p) but the total dividend is reised

to 8.3p (7.5p) via a final of 5.5p. Home sales still

Sirdar, the specialist textile group, saw pre-tax profits fall from £3.85m to £3.19m for the six months to end-December.

depressed at Sirdar

And if the present trends continued for the rest of the financial year, it was reasonable to expect approximately the same level of profit for the second half, said Jean Tyrrell,

The interim dividend is held at 1.65p although earnings dropped to 3.57p (4.45p). Group sales in the first half fell to £28.09m (£29.5m) and operating profit to £3.6m (£4.12m).

The chairman said the projected gradual fashion swing back to the knitted look could only happen in a normal win-ter. With the opposite occur-ring, it was inevitable that home sales continued to be depressed, but exports were well ahead.

well ahead.

Burmatex (carpet and tiles) had a very good six months, but at Eversure (household textiles) sales and profits were both lower. Contribution from the Cedar

Court Hotel did not match expectations, but that situation had been corrected.

Brompton returns to dividend list

A return to the dividend list and a substantial advance in profits was announced by Brompton Holdings, formerly

AB Svensk Exportkredit

U.S. \$125,000,000

Floating Rate Notes due March 1992

Agent Bank

To advertise on the

Arts or Leisure

pages

please ring either

Jalia Carrick - 873 3176

Jane Emma Petries - 873 3185

OIS Group, for the year to

Pre-tax profits, before excep-tional items, of this

USM-quoted company were up from just £24,000 to £1.46m. The proposed dividend, the first paid since 1985, is 2p from earnings of 8.2p (loss 3.3p) per Brompton is selling off its

non-core activities, which will substantially reduce borrowconcentrating on building up the core activities of speci-alised inspection, testing and safety monitoring for the power, nuclear and oil indus-tries. ings and interest costs, and is

Mr Paul Bristol, chief executive, said the company had developed a sound base for its operations in the UK, Middle Rast and Far Rast and was seeking to expand and estab-lish a significant position in

Turnover was up from \$12.24m to £52.28m and operating profit to £2.34m (£251,000); interest payable jumped from \$227,000 to £883,000. Exceptional items amounted to a debit of £142,000 (£296,000) and there were tax credits of £105,600 (£58,000).

West Germany helps Carbo to over £4.5m

Strong overseas earnings belped Carbo raise pro-tax profits hysome 19 per cent from £3.53m to £4.55m in the year to December 31. Turnover showed an 11 per cent gain from £80.43m to £86.92m.

The economies of the main markets in which Carbo oper-sies – abrasives and specialist resins, polyester concrete drainage and injection

drainage and injection moulded plastic products, varied considerably last year said Mr Trevor Egan, chairman.
In particular, Carbo's strength in West Germany enabled the group's businesses in that country to make a sig-nificant contribution to the results. However, Mr Egan

warned of a slowing down in the UK in the second haif of 1989 which has continued in

Earnings per share improved to 20.1p (17p) while the total dividend, with a recommended final of 4.3p, goes up from 5.7p

Record has 43.4% of Easterbrook

Record Holdings, the power tool maker, said that it now owned or had received accep-tances in respect of 43.4 per cent of the shares in Rasterbrook Allcard, the privatelyowned Yorkshire cutting tool company for control of which it is fighting James Wilkes, the engineering and packaging

Wilkes has claimed receipt of irrevocable acceptances in respect of slightly more than 50 per cent of the shares for its £11.2m contested hid which was launched before Record's

£13.2m recommended offer. But holders of some 10 per cent of the shares claimed by Wilkes are currently contest-ing in court the validity of the powers of attorney by which they were accepted. These are expected to come for trial in

May. Record said it has acceptances in respect of 599,259 shares (34.1 per cent), and it owns a further 163,368. It has extended its offer until March

Improved margins at Thomas Walker

Improved margins enabled Thomas Walker, a maker of metal smallwares for the clothing industry, to lift pre-tax profits by 11 per cent in the half year to Decamber 31 1989. Profits came to £167,000 (£150,000) and were gained from turnover only 3 per cent ahead to £1.75m (£1.71m). Earn-

Directors said trading was slow up to October, improved in the following three months, but since then had felt the effects of high interest rates in

the retail trade. Ranges of new products gave encouragement, and careful housekeeping designed to maintain progress and the cut-ting back of less essential pro-jects kept the company in a healthy state.

GR (Holdings) turns in £895,000 midway

GR (Holdings) produced pre-tax profits of £885,000 in the half year to December 31 1989 for earnings of 3.8p.

In the 1988 period the group made \$6.49m, which included some \$5.6m profit on the sale of a refurbished office building in Holborn, London, Earnings were 31.7p, with 27.6p being attributed to the sale. GR operates Grayshott Hall,

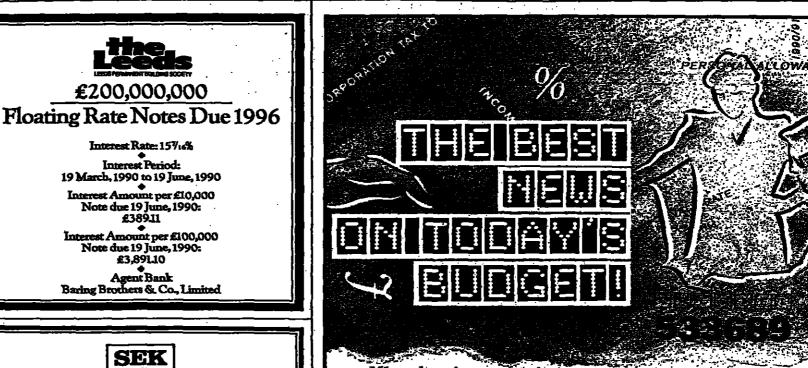
a health and fitness centre. deals in property, processes and merchants sheepskins and furs, and makes sheepskin gar-ments.

Turnover in the half year fell from £4.57m to £4.15m. The interim dividend is again 0.4p. Last year there was also a special payment of 30p, costing £3.95m.

CIA tops flotation forecast with £1.8m

CIA Group, the media indepen-dent, has exceeded the profits forecast of £1.7m it made when

The taxable outcome for 1989 was more than doubled at £1.82m (£862,000) and was struck on turnover which vaulted to £139.91m (£54.17m). Earnings per share worked through at 9.14p (5.71p) basic and 8290 (5.20) fully diluted. As CIA stated in its prospectus, the maiden dividend will ings were 1.787p (1.607p) and be the interim for 1990, payable the interim-dividend is held at in October.



Minute-by-minute reporting on the Chancellor's speech. Instant analysis from our tax advisory team. Their assessment of the implications. And some sound advice.

So why sit in front of the TV all afternoon waiting for the bad news? When you can key into PRESTEL for our special Budget Service and make the best of what the Chancellor has to offer!

FROM 3.30pm TODAY

△Touche Ross

Hill House, 1 Little New Street, London EC4A 3TR Telephone: 01-936 3000.

downturn cuts Tyne Tees to £7m

NESDAY MARCH

farten.

teste

GR (Holdings);

€ 14 tors fiatat

T:Mon Log

uche ke

TYNE TEKS Television, the iTV contractor for the north-east and North Yorkshire, suffered a 9-per cent fall in annual pre-tax profits as it encountered a downturn in advertising revenue at the end

Although 20 per cent ahead at the interim stage, pre-tax profits fell sharply in the second half resulting in a yearly outcome of £7.1m (£7.82m). The company said that the continuing stagnation in adver-

tising revenue would not change overnight but that demand was likely to pick up later in the year.

Tyne Tees expected to benefit from this year's late Easter and the strength of regional advertising stemming from the

forthcoming Garden Festival in "This gives us confidence that we will see growth (in advertising revenue) of 4½ per cent this year," the company

Turnover in 1989 was 14 per cent higher at 268.83m. Income derived from advertising revenne was only marginally ahead at £56.75m (£55.34m) but contributions from the sale of pro-grammes and facility hire rose

sharply.
Operating costs, however, increased by 23 per cent to £61.93m as spending on new programmes was substantially higher at £26.73m (£16.21m).

Staff costs remained virtually unchanged and Tyne Tees has introduced a pay freeze in the current year in an attempt to keep costs down.
This has, however, resulted in a dispute with the BETA

trade union, which accounts for 180 of the company's 600

transmission of programmes as BUTA's staff worked in non-es-sential jobs and the pay deal had been accepted by the other unions. But BETA contradicted both claims.

Earnings per share fell 11
per cent to 44.09p (49.56p). An
extraordinary profit of 23m
arising from the sale of its
interest in Independent Terrision Publications employed Terrision Publications enabled Tyne Tees to recommend a final divi-dend of 13p increasing the total pay-out to 13p (17.25p).

• COMMENT

There is not a lot that medi-um-sized television contractors can do to mitigate the effects of the stratiened advertising market but Tyne Tees is nevertheless putting its best footage forward. The company is aiming to move away from its dependence. dence on advertising revenue: turnover from hiring out facilities is expected to grow from £1.2m to £5m in the current year, sales of programmes are likely to increase both in the UK and overseas; and costs are continuing to be squeezed, albeit at the expense of a niggling union dispute. Several analysts, however, say the company's outlook on the state of the advertising market is more rosy than their own and Tyne Tees's share price performance in the coming months is more likely to reflect the cautious interpretation. Pre-tax profits for the year will proba-bly remain in the £7m to £8m range putting the company's shares on a prospective multi-ple of about 6.5. Shares in Type Tees are unlikely to move ahead much until the state of the advertising mar-ket and the future shape of broadcasting become clearer, The company said the dispute would not threaten the there is little downside.

Exceptionals reverse Acorn's profits decline

By Alan Cane

AN EXCEPTIONAL payment of £1.2m from Olivetti, its ing director of Acorn Comput-major shareholder, turned a 20 ers, attributed the decline in per cent decline in operating profits at Acorn Computer Group in 1988 into a 53 per cent

secure an option on sales and marketing rights to a still uni-dentified product which Acom and Olivetti Systems and Networks (OSN) have been developing jointly.
Acom's share in the develop-

ment is now completed. Group sales in 1989 were £44.9m, com-pared with £39.2m before, an increase of 15 per cent. Operat-ing profit before tax and the exceptional payment from Oli-vetti was £1.32m (£1.84m). Earnings per share were 3.8p (1.7p).

ers, attributed the decline in profitability to pressure on margins, the costs of launching Group in 1988 into a 53 per cent increase last year.

The payment was made to opment with Glivetti.

He said the company had made steady progress during the year, and had achieved good market acceptance for its new Archimedes high powered workstation.

Some 85 per cent of UK schools use Acorn computers and the BRC A3000 commuter was finding acceptance in the home, Mr Wauchope said. He takes over as group man-

aging director in April follow-ing Mr Harvey Coleman's pro-motion to president of OSN Canada.

\$8.45m US expansion for Simon By Andrew Hill

Simon Engineering, which last week asked shareholders for £46.4m through a rights issue, is using up to \$8.95m (£5.53m) of the cash to buy an environmental engineering consul-tancy service in the US.

Simon has bought Engineering Enterprises (EEI) and assoclated partnership interests for \$8.45m cash. A further \$500,000 has been deferred for up to 18

EEI, which is based in Oklahoma, designs groundwater supply and effluent treatment projects and also advises the US's powerful environmental body, the Environmental Protection Agency, on regulations for the disposal of liquid waste

by underground injection.
The company will be renamed Simon-EEI and become part of the UK group's industrial services division.

Mr Freeman said that the laser group, which employs 75 people, had not been profitable for several years. Last year's sales were hit by Funding for the buy-out was provided by Charterhouse Development Capital and the the uncertainty surrounding Ferranti, which was the victim Charterhouse Venture Fund. IN BRIEF ASSOCIATED PAPER has sold asset is the lease of a retail

API Hydraulics for 2500,000 cash. Purchaser is a subsidiary of Econosto of Rotterdam.
CENTURY OILS Group has completed the purchase of Comptons Français D'Importation et de Transformation Reunis. The maximum payment of £4.2m cash consists of an initial f2m with further payments to be determined by arbitration after consideration of claims

under warranties. CITYVISION: Of the 21.67m ordinary shares offered by way of rights, 1.4m have been taken up. The remaining 20.26m are to be sold in the market.
GIEVES GROUP is to acquire

has paid 2500,000 for JWK Engineering, a fabricated steel manufacturer. Valux Manzoni, whose sole

1. To receive the report of the Directors and the Andited Accounts for the year ended 31st December, 1989, and to declare a

2. To confirm the appointment of Mr John Renyi, Mr Hubert Grosperrin, Mr Lucien Fischer, Mr Jacques Seydoux de Clansonne and Mr Michael Charlton as Directors of the Company and to fix their remanezation.

4. To transact any other ordinary business of the Company. By order of the Board. Michèle Magini

2. The quorum for the meeting is two shareholders present in person 3. Each of the resolutions set out above may be passed by a simple

majority of the votes cast thereon at the meeting.

Copies of the Report and Accounts for 1989 are available from: 19, AVENUE D'OSTENDE MONTE CARLO

FINAL DIVIDEND

Final Dividend of USSO.06 per share will be payable on 17th April 1990 to holders on the Register on 31st March and to holders of the Bearer Shares against presentation of Coupon No. 34 at

Singer & Friedlander Ltd. 21 New Street, London EC2M 4HR Krediethank S.A. Luxembourgeoise 43 Boulevard Royal, Luxembourg

By order of the Board

UK COMPANY NEWS

Advertising When no news would be bad news for the kitten

James Gatward talks to Raymond Snoddy in Los Angeles of his optimism over the future of MTM

OR MONTHS newspa-pers have been bad news for Mr James Gatward, chief executive of TVS Entertainment. Headlines about his com-

trated on unexpected losses at MTM, its American production subsidiary, the dive in the TVS share price that resulted, and doubts over whether the ITV operator for the south of England could retain its franchise next time round.

As he stands in the middle of the elaborate newsroom of the Washington Capital, Mr Gat-ward is confident that, for a change, a newspaper story will mean good news for MTM, the \$320m acquisition that lost \$20m, including financing costs, in its first year of TVS ownership.
The \$400,000 "newsroom" of

the fictional Washington Capi-tal has been created in the MTM studios near Hollywood for Capital News, a 13-part newspaper drama series which opened on the ABC network on Apart from its sale to ABC,

the \$1.3m-per-hour drama on life on a daily newspaper which sears a striking resemblance to the Washington Post

has already raised \$250,000
an episode from foreign sales

to countries such as Italy, West
Germany and the Netherlands. BBC I will screen it this

It is also one of the programmes on which MTM is building its hopes for recovery. For the first time in its his-tory, MTM, whose programmes have included Lou Grant, Hill Street Blues and St Elsewhere, has four series on US net-News on ABC, there are two shows on CBS — Newhart, a comedy in its eighth year, and City, a series starring Valerie Harper about life running a city bureaucracy - and on NBC there is FM, a drama set in a radio station.

MTM television, emphasises:
"This represents the most activity MTM has had in years and the most diversity that MTM has ever had." The presentation at the MTM HQ, where once Max Sennett made silent pictures, Mr Gat-ward leads the fightback. "Events augur well for what is not yet expected in the City [of

Mr Peter Grad, president of

London] in certain circles and fhat is recovery," he insists. "The turnaround has been achieved and, although it will require the end of the year to show the extent of that turn-around, I'm confident it will be



es Gatward: the inraround

shows for reruns on independent TV stations. It was the sudden collapse of the secondary syndication mar-

Share price (pence)

will be there in spades

there in spades," he adds. Since last September when TVS first announced that bad MTM results were on the way, there has been a frantic burst of activity in Los Angeles for two weeks a month, personally supervised by Mr Gatward. MTM has moved to reduce its dependence on network comedies and dramas and on the sale of its former network

ket, as the rerun market is called, that got MTM into trouble. It came at the same time that a preference was growing for half-hour programmes

rather than the one-hour shows MTM specialised in. MTM believes that the sec-ondary syndication market has stabilised; there are new buyers for programmes; and that "there is slow but steady growth in demand for hourlong programmes". It is adding new programmes to sell directly to the independents — first-run syndication - as well as made-for-TV movies. MTM has persuaded Graham

Kerr, "The Galloping Gour-met", to gallop through the kitchen again, this time with recipes for healthy eating. The series, which begins broadcast-ing in September, has already been sold to 43 US TV stations.

MTM also announced this
week that it plans to revive
one of its old shows by making

90 new episodes of a situation comedy called WKRP in Cin-cinnati for first-run syndica-

tion. It is not yet clear however

whether the original writers and actors will be willing to revisit their past.

The film projects include a co-production on the life of act-ress Vivien Leigh and a \$35m

series inspired by the signs of the Zodiac. the Zodiac.

But in most cases, TVS, which earlier this year announced pre-tax profits of £13.7m (£26.1m) for the year to October 31, will only proceed if the new projects are fully financed in advance.

The suggestion is that with a bit of luck MTM might make a

modest profit this year and a significant contribution to the group in 1991. Mr Gatward even says he might not after all have to sell a minority stake in MTM to raise finance

awards, the contenders will have to prove they have the money to bid.

Despite Mr Gatward's optimism, it is too early to hang the recovery sign outside

The Newhart show ends this year after failure to agree terms for a ninth year. Ironi-cally a new Newhart show will be made for CBS in a year or two by a new production com-pany being set up by Mr Arthur Price, the former presi-dent of MTM who left after a dispute with Mr Gatward.

It will be May before the networks decide whether any of the other three MTM shows which all have 13-week runs will return for the much longer seasons needed to earn money in syndication.

In the ruthless world of US TV, only between 15 and 20 per cent of series survive after their first outing and already there is industry scepticism on

whether City will make it. Mr Gatward is hoping that the phones will start ringing and the reporters begin chas-News' deserted set, which is currently mothballed until the networks' decision over a new series. A yes would be good

Linread rises 17% to £3.3m

By Richard Tomkins, Midlands Correspondent

STRONG DEMAND from the aerospace sector took pre-tax profits at Linread, the Midands-based manufacturer of car and aircraft bolts, ahead by 17 per cent from £2.84m to £3.32m in 1989. Turnover rose by 5 per cent

to £39.46m (£37.41m) and earnings per share were 18 per cent ahead at 17.87p

(15.17p). A final dividend of 3.9p is recommended, making 5.7p 4.75p). All divisions made profits

FERRANTI International has

sold its laser products group to

sold its laser products group to its management for 24m. The Dundee-based company will be known as Laser Ecosse.

The new company will be headed, by Mr. Gordon Freeman, meriously manager; of the laser group. Sir Donald Macullum, a Ferranti main board director until 1987, will be chairman.

Ferranti sells laser

activity to management

was suffering the consebut the best performers were Aircraft Products at Redditch and North Bridge Fasteners On the automotive side, the performance at Commercial Products continued to fall short of expectations and North Bridge Engineering suffered a fall in profits

because of cutbacks in US truck building.

Mr Mike Hughes, chief executive, said Linread faced a tough year because UK automotive building was well down and the serrogace side.

of a £215m alleged fraud.

The laser group had also been affected by industrial action at Ferranti in Dundee.

Mr Freeman said he was confident, however, that the

company would be profitable this year. Sales would be about 25m, he said.

The company exports about 75 per cent of its laser products the sale of the

ucts, which are used in the

space, white goods and chemi-cal industries.

Milan Consideration is L1 05hn

(£500,000) over three instal-

INTERNATIONAL COMMUNI-

CATION & Data: The recent rights issue was taken up as to

8.91m ordinary (79 per cent).
MAINMET HOLDINGS: The

recommended offer from ISS

tional in all respects. ISS now owns 4.87m ordinary shares

(77.3 per cent). The offer will remain open for acceptance

until further notice.
MCLAUGHLIN AND Harvey

been declared uncondi-

quences of the 17-week strike at British Aerospace. On a positive note, he noted that about half Linread's output was exported directly or indirectly, so the effects of any UK recession on the group would be lim-

In the longer term, Mr Hughes pointed to the con-tinuing buoyancy of the civil aircraft building programms and the "enormous" investment taking place in the UK automotive industry. This investment was not just by the Japanese manufacturers, but also by Ford and General

Refuge marginally lower

PRE-TAX profits at Refuge, the life insurance company. were down marginally last year at £14.21m (£14.85m) but the chief point of interest continues to be the future of the 10 per cent share in the company held by Athena, the French life insurer.

Mr Tom Booth, chairman, said yesterday: "I don't think they would attempt to bid for the whole. At the moment they seem to have stuck at 10 per cent." He said there had been an exchange of visits with Athena to look at co-operation in information

technology. Athena also has tax advan-

tages in holding 10 per cent of Refuge and the immediate threat of a bid. which lifted the share price last year, has diminished.

The final dividend is 17p

(14.5p) making a 15.5 per cent increase for the year to 24.25p (21p). Earnings per share were 25.5p (27.04p).
The life side of the business

did well with net premium income up by 27.5 per cent from £138m to £176m. This included £16m related to per sonal pension rebates received during the year from the Department of Social Security.

Mr Booth said the main fea-ture of the results was the

growth in the underlying life side of the business. As with other life insurers this has been concentrated on new pensions, mostly unit linked, which now make up 45 per cent to 50 per cent of the company's life business. The downside of the 1989

results stemmed from the collapse in the housing market, which hit Refuge's 33 estate agents in London and Essex

particularly badly. Nevertheless, housing sales so far this year were up and a conversion rate of 34 per cent of house purchasers going on to buy endowment mortgages promises well for the future.

N.V. Philips' Gloeilampenfabrieken (Philips' Industries) and N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken (Philips' Lamps Holding)/Eindhoven

Notice convening the ORDINARY GENERAL MEETING OF SHAREHOLDERS

to be held on Tuesday, April 10, 1990, at 2.00 p.m., in the Evenem Eindhoven, entrance Mathildelaan/ Frederiklaan. Shareholders of N.V. Gemeen schappelijk Bezit van Aandeelen Philips' rpenfabrieken are also entitled to attend the Ordinary General Meeting of Shareholders of N.V. Philips' Glocilampenfabricken to be held at the same time and at the same place.

The Annual Report 1989 and the Financial Statements 1989 of both companies as well as the complete agendas for both meetings have been deposited for inspection and are available free of charge at the office of the Company (Groenewoudseweg I) and at the head offices of the banks listed below. The items on the agendas are as follows:

N.V. PHILIPS' **GLOEILAMPENFABRIEKEN**

- 2. Report on the activities of the Philips group in the financial year 1989.
- 3. Report of the Supervisory Board on the financial statements for 1989.
- 4. Adoption of the 1989 financial statements and declaration of a dividend. Proposal of the Board of Management which proposal has been approved by the Supervisory Board, to make the dividend distributable - at the option of the shareholders - in the form of shares charged to the share premiur
- Designation of the Board of Manage ment as the body which is authorised to issue shares or rights to shares and to limit or suspend the preferential rights enjoyed by shareholders.
- 6. Authorisation of the Board of Manage mentto acquire shares in the Company. 7. Composition of the Board of Management.

Composition of the Supervisory Board

Any other business.

10. Conclusion.

N.V. GEMEENSCHAPPELIJK BEZIT VAN AANDEELEN PHILIPS GLOEILAMPENFABRIEKEN

Opening.

Report of the Board of Governors for th financial year 1989.

Adoption of the 1989 financial statements and declaration of a dividend. Proposal of the Board of Governors, which proposal has been approved by the meeting of priority shareholders and is made in connection with the co responding proposal to be considered at the Annual Meeting of Shareholders of N.V. Philips' Gloeilampenfabrieken, to make the dividend distributable - at the option of the shareholders - in the form of shares in the Company.

Designation of the Board of Governors as the body which is authorised to issue shares or rights to shares and to limit or suspend the preferential rights enjoyed by shareholders.

Authorisation of the Board of Governors to acquire shares in the Company.

Composition of the Board of Governor

Any other business.

8. Conclusion.

In so far as this is laid down in the Articles of Association, the proposals for nominations, together with information relating to the persons proposed have been deposited for inspection and are available free of charge at the office of the Company (Corporate Finance Securities) and at the Amsterdam Rotterdam Bank N.V., Herengracht 595, in Amsterdam.

Shareholders of N.V. Philips' Gloeilampenfabrieken who wish to attend the meeting either in person or by proxy, must notify the Company not later than April 3, 1990,

in the way indicated in the letter of convocation sent to them by the Company.

Shareholders of N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken who wish to attend the meetings, either in person or by proxy, must notify the Company not later than April 3, 1990. The following regulations apply.

A. Holders of share-certificates to bearer should deposit such certificates not later than April 3, 1990, at one of the following banks in exchange for a receipt which will entitle the holder to admission to the meeting.

In the Netherlands: the Amsterdam-Rotterdam Bank N.V. in Amsterdam, Herengracht 595; the Algemene Bank Nederland N.V. in Amsterdam, Vijzelstraat 32; or at the office of the Company in Eindhoven,

In the United Kingdom: Hill Samuel Bank Ltd., London.

Groenewoudseweg 1.

In other countries: at the banks designated for such purpose. Further particulars can be obtained from Hill Samuel Bank Ltd., London.

B. Holders of registered shares must

notify the Company not later than April 3, 1990, in the way indicated in the letter of convocation sent to them by the Company: - with respect to shares of the Eindhoven Registry: at the office of the Company; - with respect to shares of the New York Registry: at the office of Bankers Trust Company, Corporate Trust & Agency Group, P.O. Box 318, Church Street Station,

Requests for copies of the Philips Annual Report 1989 and the Financial Statements 1989 should be sent to N.V. Philips' Gloeilampenfabrieken (Corporate Finance Investor Relations), P.O. Box 218, 5600 MD Eindhoven.

Eindhoven, March 20, 1990

New York, N.Y. 10015.

PHILIPS

RANVILLE SPONSORED SECURITIES

1					Eross '	Yleid	
High	Low	Company	Price	Change	ثم) برال	%	P/E
343	295	Ass. Brit. Ind. Ordinary	338	0	10.3	3.0	9.1
38	19	Armitage and Rhodes	22	0	-	-	. •
210	149	Bardon Groce (SE)	172	-2	4.3	25	16.7
125	102	Bardon Group Co Pref CSD	111	6	6.7	6.0	-
123	74	Bray Technologies	80	0	5.9	7.A	7.1
110	90	Brendill Conv. Pref	90	. 0	11.0	12.2	-
315	285	CCL Group Ordinary	314	0	14.7	4.7	3.9
176	165	CCL Group 11% Cons.Pred	168	Q.	1A.7	8.8	-
225	140	Carbo Pic (SE)	215	+5	7.6	35	126
1330	109	Carbo 7.5% Pref (SE)	116	Ō	10.3	9.4	-
75	0.125	"Magnet Sp Non-VotingA Cov	0.125	0	-	-	-
J '5	0 125	*Magnet Gp Non-Votlags Cav	0.125	Ō	-	-	٠ ـ
130	93	Isis Group		Ö	8.0	8.6	5.3
145	58	Jackson Group (SE)		Ō	3.6	3.3	126
322	253	Multibouse NV (ArmsSE)	253	-2		-	-
158	98	Robert Jerkins	137	G	10.0	7.3	5.0
467	360	SCIULIONS	362	ă	18.7	5.2	9.6
	270	Torday & Caribsle	300tas	ā	9.3	3.1	10.5
300		Torday & Carliste Car Pref		ŏ	10.7	10.3	
117	100	Unktrat Europe Conv Pref	155	š	9.3	6.0	_
160	106	Unicular current com FTG	300	_	72.0	7.3	9.4
375	300	Veterinary Drug Co. PLC	200 270	0	16.2	58	23.3
		Mr C Venter					

rities designated (SE) and (USM) are dealt in subject to the rules and regulations of The Securities designated ESC and (USAI) are dealt to subject to the rules and regulations of The ISE. Other securities listed about are dealt in subject to the rules of TSA. These securities are dealt in strictly on a matched burgain basis, Neither Granville & Co. Limited nor Granville Davies Limited are market makers in these securities.

These securities are dealt on a restricted basis. Further details available

G

Granville & Co. Limited 77 Mansell Street, London El 8AF Telephone 01-488 1212 Member of TSA

Geneville Davies Limited sell Street, London El SAF Telephone 01-488 1212 Member of The ISE & TSA

RIGGS NATIONAL CORPORATION US \$100,000,000 FLOATING RATE SUBORDINATED NOTES DUE 1996 In accordance with the provisions of the Notes, notice is hereby given that for the period 20 March 1990 to 20 June 1990 the Notes will carry a rate of interest of 8% % per annum with a compou

CHEMICALBANK as Agent Bank

Tokyo Trust S.A. NOTICE OF ANNUAL GENERAL MEETING NOTICE IS HEREBY GIVEN that the Twenty First Annual General Meeting of the Company will be held at Balzi Rossi, Ponte San Ludovico, Italy, on 17th April, 1990 at 12.00 noon for the following

3. To authorise the Directors to fix the remuneration of the auditors.

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A

TOKYO TRUST S.A.

the Paying Agents:-

TOKYO TRUST S.A.

Pleased though they were with this expansion, Martin Verden, the chairman, and his three-strong team of executive directors, were also becoming aware that it was starting to impose strains on the business. "We realised we didn't have the experience available in a larger company and that we could do with some help from

outside," he says.
With the help of Pro Ned,*
an organisation which promotes the use of non-executive directors, Verden brought in William Shaw, who had recently stepped down as finance director of BAA (the former British Airports Authority), to belp in a non-ex-

ecutive role.
At Shaw's prompting, SAMAC has imposed a tighter structure on its operations. A financial director has been appointed; the business has been arranged into separate profit centres; tougher financial controls have been applied; and the company has changed to a larger firm of auditors.

"William's main job has been to create a financial structure while at the same time keeping the company's entrepreneurial flair," says Verden. "He is very much one of us but we can bounce ideas off him and he shows us the hurdles we have

in the two years since Shaw began providing advice, SAMAC has continued to expand - it now has 300 employees and turnover of £150m - and Verden now plans to take on a second non-executive director. This time engineering background to help the company make the move into doing more processing of the steel it supplies.

The days when companies appointed non-executive directors for their titles and the glitter they gave to the corporate letterhead may not be completely dead. But a new realism entered into the choice of nonexecutives in the 1980s and they are now expected to deliver real value for money. This trend was encouraged by egislation which has made it less easy for non-executives to avoid their responsibilities if

anything goes wrong. Nor are non-executive direc-

Non-executive directors

Value for money from an outsider's view

By Charles Batchelor

the larger, publicly-quoted company. Small companies, with a narrower experience of commercial life and more limited management resources, have begun to appreciate the

value of non-executive advice.
Ten years ago small compa-nies would resent an outsider being involved in the busi-ness," notes David Thorp, in charge of start-up companies at 3i, the venture capital group. "Now the reverse is true."

Pro Ned estimates that Brit-ish companies have 7,000-8,000 non-executive directors serving on their boards. But while small and large companies have been active in recruiting non-executives, medium-sized companies with turnover in the £100m-£200m range still make relatively little use of And, despite the progress

that has been made, too many firms are still content to bring the company solicitor or banker on to the board or "pro-mote" retiring executive directors to non-executive jobs. Such people are unlikely to be sufficiently independent of the company to provide really valuable advice, says Colin St Johnston, director of Pro Ned. It has been issues like this which have prompted moves in recent years to introduce a degree of professionalism. Pro Ned was set up in 1982 and currently places about 80 non-executive directors a year while the Institute of Directors

nal use, 3i has established its Independent Directors Programme, a register of 400 The growth of the venture capital industry has been one of the reasons for the increased awareness among small firms directors. Venture capitalists usually insist on appointing a director to the boards of their investee companies to oversee

has a board appointments divi-sion which matches 40 to 50

non-executive directors each

year with suitable companies. In addition, for its own inter-

Fast growth and the prospect of a stock market listing are factors. Kennedy & Don-



HOT WORKING DINNERS."

kin, a Godalming, Surrey-based firm of consulting engineers, added a non-executive director to its board shortly after it switched from being a partner-

ship to corporate status. "The company had traditionally been managed by professional engineers," says Maldwyn John, the chairman. "We wanted somebody to bring a sense of the reality of the business world." The director John brought in insisted on tighter financial controls and advised on a salary scheme which provided additional incentives to key individuals.

One of the most important roles which the non-executive director fulfils in the smaller company is to make the executeam aware of the commercial realities outside the company. "Small companies can be more introverted than large ones," says Pro Ned's St Johnston. "The company which has been family-dominated needs an outsider who can tell them how other companies work," says Anthony Luke, director of the loD's

board appointments section. Unlike the consultant, who will only have a short-term contract with the company, and the executive director, who will be absorbed into the company's prevailing culture, the non-executive director

company.

The non-executive can also lp executive directors lift their heads above the day-to-day detail of running the business. "Companies can get bogged down by detailed financial information and forget what is important - the cash flow statement or the balance sheet," says St Johnston

Non-executives also play a useful role by acting as "honest broker" in matters such as the setting of executive direc-tors' salaries or in arranging for the removal of executive directors who are not perform ing satisfactorily. "I can get away with asking someone to step down because they know I have no axe to grind," com ments one seasoned non-executive. "The man knows I don't want his job or his share

non-executive director is called on to provide a mixture of the broader view and advice on the day-to-day detail of running the business. "The small firm doesn't have the management resources of the large company so the non-executive director has to be much more hands-on," says Lyn Davies, a former chairman of Roya Worcester Spode and now non-executive director with half a

The non-executive director, who will normally have board who will normally have board experience of a large company, can bring to the small firm his experience of dealing with business problems which it may be confronting for the first time. "The acid test is: "Has the person had ultimate profit responsibility" because profit responsibility? because that leaves a mark," says Anthony Whalley, a senior executive of Charterhouse

Development Capital and a non-executive director of five companies. Some non-executives make a full-time career of helping companies; others add one or two non-executive posts to a nearly full-time executive director-

hip. The non-executive director would typically expect to spend between 16 and 22 days a year with the company, says the IoD's Anthony Luke. This would probably comprise 12 monthly board meetings; several days visiting customers, reading company papers and attending conferences; and time talking to the executive directors on the phone.

The cost to the small firm of these services would probably be between £5,000 and £10,000, depending on the size of the

How effective the non-execu tive is will depend on the extent to which he gains the confidence of the executive directors - particularly if he has joined the company to represent a major shareholder. It can take three or four months to get into a company," says Lyn Davies. "You don't say much for the first three onths and when you do start to talk you have to come up with a corker so everyone says:

Why didn't I think of that?" Anthony Whalley knows just how sensitive relations between the executive and non-executive directors can be from his own experience. As well as acting as a non-execu-tive director for Charterhouse, he is chairman of his family's electronics distribution business. As such he deals with representatives of the institution which has an investment

in the firm.
"You don't want a yuppie telling you how you should run your company and coming to instantaneous judgments on the basis of half a dozen facts," he says. "I have found it quite revealing and try to polish my own style when I go into companies as a non-executive

Pro Ned, 1 Kingsway, Landon WC2B 6XF. Tel 01-240 8305; IoD, 116 Pall Mall, London SWIY 5KD. Tel 01-839 1233.

Corporate structure

Stimulating creativity

Christina Lamb on maintaining entrepreneurial spirit

here comes a moment in the life of every entrepreneur when a crucial decision must be made. What does a company do when it becomes too big for its founder to continue imbuing it with enthusiasm but still wants to

This is a particular problem for companies which rely on vision, selling ideas rather than a particular product. Allowing employees to learn a range of skills and seeing them as entrepreneurs as well, was a ence organised by the Econo-mist magazine.

One entrepreneurial company to have used this approach is Imagination, a London-based design group which has managed to sustain growth and success by shifting from one model of entrepre-neurial organisation driven by the vision of one man, involved in everything from project con-ception to sending invoices, to another where the entrepreneurial qualities of all employees are harnessed.

Imagination was set up by Gary Withers in 1978 and has witnessed a 50 per cent rise in revenue and turnover every year since 1986. Today it is involved in a wide variety of projects from the design of Macao airport, the launch of the Ford Fiesta and the bubbles in the campaign for the water sell-off.

As the company became more successful and expanded from 20 to 200 people, he found more and more of his time was spent in administration leaving less time for the cre-ativity which had made the company a success, and forcing him to install a bureaucracy separating him from his

employees. The solution to the problem was to entrepreneurialise every task in the company. Brian Shepperd, the managing director, explains: "We realised our employees had been hired precisely for the qualities that characterises entrepreneurs and we had a resource of 200 entrepreneurs in their own right." This leaves Withers free to use his creative powers.

Movement within the company is encouraged so that

account clerks can become video producers, designers can do marketing, and employees

spend time in each other's departments. Project teams are made up of flexible skill groups. Fewer than 10 of the 200 employees have had formal business training and most account executives began on the creative side.

According to Sheppard, "peo-ple sit within functional departments because they have to sit somewhere, but when it es to applying resources to the task you can forget which department people theoreti-cally come from." He gives the example of a secretary who is particularly interested in information technology, so when-ever iT expertise is needed he or she will be called in as a firefighter and is a key mem-ber of a working party looking

at IT strategy. Instead of a clear organisational hierarchy, structures are configured around each assignment, teams evolving as projects develop. "Once teams are together it's a totally hands-off approach; everyone is expected to comment on every aspect. The thing that motivates most is not that a board director is on your back but that you're letting your colleagues down." Sheppard sums up: "Our suc-

cess is determined by and not in spite of the entrepreneurial spirit of our employees. I think of myself as a conductor of an orchestra using my management experience not to bring discipline and authority but to bring an understanding of what people need to give of their best."

But what does an entrepreneur employed to manage someone else's company do when his creativity is stifled by top-heavy bureaucracy and anxious shareholders? One answer is to stage a manage-ment buy-out. This enables a mpany to have a more flexible approach and use the entrepreneurial drive of employees rather than function in spite of it. Brian Larcombe, a director of 3i, the UK's largest venture capital company, says more and more companies are looking at "promoting entrepreneurship by corporate restructuring."

3i believes it has identified a new kind of hidden entreprenew kma or moden entrepre-neur, "not a whizz-kid or an Arthur Daley," he says, refer-ring to the fictional wheel-er-dealer, "but a trained professional manager who wants

independence...". In a recent survey it found that 13 per cent of senior UK directors were actively contem-plating what it calls "break-outs" – either management buy-outs or setting up their own company. Of the advan-tages of going it alone, 93 per cent cited job satisfaction and making money, and 83 per cent freedom from bureaucracy.

Computing Devices in Hastings is an example of a company which has managed to utilise the dynamism of its entrepreneurial manager after effecting a management buy-out. The company began life rather humbly as the five-man UK subsidiary of a Canadian company on the top floor of a house in London's east end where the water-powered lift worked only when the River Thames was high.

After its surveillance systems were adopted by the RAF, the American company. which had in the late 1970s taken over the Canadian parent, agreed to fund new premises in Hastings. By 1980 there were 70 employees and by 1983 revenue was up to £5.2m. But Bill Uttley-Moore, the manag-ing director and guiding light, found his entrepreneurial spirit stifled by having to get approvals from its huge parent which involved much time and paperwork. "The last straw came when we had the director of flagpoles over from the US complaining about the relative positioning of our US, UK and Canadian flags."

So Uttley-Moore conceived a partial management buy-out which was achieved with the help of 3i after two years, the US parent retaining a substan-tial minority. This enabled the company to be more adventurous and break into the US mar-ket, pushing the number of employees up to 700 and profit to £6.15m in 1988. The average employee age is 27 and 96 per cent have shares in the company. They work in autonomous flexible skill groups led by co-ordinating directors in which every member has an equal say and is expected to offer suggestions on all stages, not just those in which they have particular expertise. Uttley Moore says: The most important thing is excite

BUSINESS OPPORTUNITIES

We'll give you something to celebrate.

If this is the year to sell your business, this is the time to contact us.

We will give you expert and, possibly, unexpected advice on how to maximise values, locate the best buyer, negotiate the best deal and minimise taxes. We'll explain how, for example, although the economy is sluggish, it can still be a seller's market.

You'll be talking to seasoned corporate finance advisers. Professionals who are dedicated to providing expert and impartial advice. Who seek to add value rather than merely to get commissions or do deals. Who are in contact with an enormous range of buyers through a network of regional and international corporate finance

Last year we were lead advisers on 36 transactions between £1 million and £50 million. This year we could give you something to celebrate too.

Our new publication "Exit Options" is now available. It is a practical guide to realising the full value of a company. If you have any thoughts of selling yours we urge you to read it.

Ernst & Young Corporate Finance Authorised by The Institute of Chartered Accountants in England and Wales to carry on investment business

To: David Howard, Director, Ernst & Young Corporate Finance, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.
Please send me a copy of your publication "Exit Options".

Please also send the following: An introduction to Erust & Young Corporate Finance Acquisitions and Disposals: how to buy unquoted companies Corporate Finance Review

Or call: David Howard, Richard Mead or Paul Smith: phone 01-928 2000.

SUBSTANTIAL PROFIT POTENTIAL

Payback in 2 - 2.5 years. Established Texas property firm with outstanding track record seeks substantial joint venture partners. Ready projects include:

- Development of Phase II of a very successful residential

development with lots pre-sold to homebuilders.

Acquisition of a well located undervalued shopping

centre with high quality tenants in place.

Commercial land development with parcels pre-sold to recover 1/2 of land costs.

Principals available for discussions in London 20th to 29th March. Interested parties please contact: MACLEAN AND ASSOCIATES

London, United Kingdom Attention: Chris Tate Phone (01) 439-6288 Fax (01) 878 4464

Small electronics company in South East seeks equity or part loan investment of up to £80,000 to finance design, development and marketing of new products. Some management involvement possible. Any investment is likely to qualify for BES relief.

Contact: D E Bawtree 37 Prederick Place ast Sussex BN1 4EA

Tel: 0273 206788

NEVILLE RUSSELL Chartered Accountants

Authorised by the institute of Chattered accountrate in England and Wales

CONTRACTS AVAILABLE



A SOVIET/ENGLISH JOINT VENTURE Construction, Hotels, Tourism, Transportation, Mining, Technology, Petrol Stations, Health Care. Consultants needed. Company Representation/Marketing undertaken.

CTCI
Completing A Control International
Control House, Gostnere, Wiltehire SN11 9JA
Telephone: 9249 76454 Alternative: 96284 75145
Telephone: 9249 76257 Alternative: 96284 75745

CONSULTING ENGINEERING GROUP SEEKS MERGER

Multidisciplined group of consulting engineers with northern base seeks merger with large organization to give national coverage and facilitate further growth. Projected fee turnover for 1990 £4m with 'olue-chip' portfolio of clients with water bias.

> Write Box F9658. Financial Times. One Southwerk Bridge, London SE1 9HL

STOCKS/SHARES/PROPERTY REQUIRED

Realise Cash now. Extra-ordinary opportunity from 250,000 to 25m. Communicate in the strictest confidence with J Singer (Trust & Investment) Ltd Barkan House, 475 Botton Road, Swinton, Manchester M27 2TB Tel: 06:1 793 9088 Fax: 06:1 794 4961

Interesting assignments successfully undertaken

Self employed consultant, many years resident Japan. Well travelled Far East/S.E. Asia. Wide knowledge Far Eastern business methods. Frequent visits maintain continuity. Next trips: Osaka early April, Tokyo early May, Seoul mid May. Permanent representation in Tokyo.

Telephone Colin Newman 0932 224793 (office) or (preferably) 0932 220086, after 6pm. Fax: 0932 244469

INVESTMENT PROPERTY FOR SALE BAKEWELL, DERBYSHIRE IN MIDST OF PEAK NATIONAL PARK

Beautiful, award-winning holiday complex situated right in the heart of the most sought after location in the Peak Park - comprising 10 up-market holiday cottages and recreational facilities, incl. htd. inchoor swim. pool and games room. Also inchede is the four bedroom farmhouse and double garage with private gardens. Scope for further accom, within exist, buildings. Approx. site area 4 acres. Excellent (proven) carnings and further potential. For details please write to owner through.

Box F9656, Financial Times, One Southwark Bridge, London SE1 9HL or by Fax No 9629 314823.

ARE YOU SHORT OF NEW ENQUIRIES/ ORDERS

Top sales director successfully representing several engineering sub-contractors is looking for increased cover in rubber midgs, iron castings, electronic components, fixings, sub-contractors, presswork, sheet-metal work etc.

If you are competitive,e flicient and quality conscious, phone or write now to:

Peter J Garrini Ltd, 23 River Park, Boxmoor, Heunel Hempstead, Herts, HP1 1RB Tel: 8442-54675

EXCELLENT MERGER/EXPANSION OPPORTUNITY

A well established and highly respected Company creating and managing Corporate Events, Incentive Travel and Travel Kelated Promono with an organisation engaged in the Marketing/ Communications (or possibly Specialist Travel) business.
Current annual sales c. £3.7M. Location Home Counties (under 1 hour City/West End).

With a diverse and substantial "blue chip" client portfolio we are ideally seeking a business merger that would result in a broader trading base and product range for both parties -thus maximising existing and future business potential.

Please write Box H5942, Financial Times, One Southwark Bridge, London SE1 9HL

ELECTRONIC INDUSTRY

LOOKING FOR NEW PRODUCTS TO BUILD AND SELL?

Substantial sums have been invested to develop a unique machine for the electronic stambly market. Product is new tested by two blue chip Beta sites and is ready for safe to company requiring manufacturing and sales rights Tel: 01 222 2320 Fax: 01 222 3145

CATERING EQUIPMENT

We are a leading distributor of specialised catering equipment to the licenced and catering trades. We have preferred supplier status with major National Accounts and provide nationwide sales and service coverage. We wish to expand our product range and would welcome enquiries from UK and foreign suppliers. Principals only.

Write Box F9661, Financial Times, One Southwark Bridge, London SE1 9HL

Micklegate Group plc 100% TAX ALLOWANCE **INVESTMENTS** FOR SALE

Popular Enterprise Zone, South Humberside. **Buildings** finished. Gographeed 7.75% return

(12.5% after tax allowances £194,000 TO £1,410,000 OTHER INVESTMENTS

AVAILABLE THROUGHOUT THE COUNTRY For details please contact:

GOWAN & Co. Realtex House, 2 Leeds Road, 0532 505022

Mayfair, London, W1

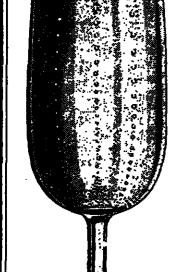
A truly cost-effective alternative to leasing a full-time office. Our Business identity Plans are designed to suit your Company's need to maintain a high profile office representation at a reasonable cost. For full

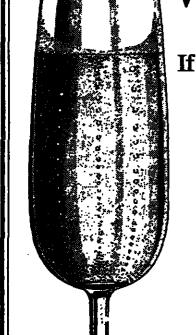
details: 'phone or fax Nightingale Secretarist, 3 Berkeley Square, London WIX 5HG. Tel: 01-629 6116. Pax: 01-491 4811.

INVESTMENT OPPORTUNITY

Equity participation invited for growing business in storage and distribution in Bristol area £200K+. Fully

asset backed (long leasehold). Please Contact Agents: B&S Financial Services Tel: (0244) 311614 Fax: (0244) 320860





100% TAX REBATES FOR 1989/90

on qualifying expenditure on Commercial

and industrial Developments under

construction in North West Kent

and Salford Enterprise Zones. Packages from £180,000 to £6.825.000 Total available exceeds £20 million.

St. Modwen Developments Ltd.

Peter Luff

423-1209.

01 499 5666

Graham Martindale 061 839 0678

ACQUIRE A BUSINESS PARTNER FROM THE US MARKET?

How? If interested in the purchase of, sale to, or strategic aillance with an American counterpart, register with us. We serve Southwestern US manufacturing and tech firms with US \$5 million or more annual sales in this partnering. Companies (or intermediarles) with such interests may contact Mr. Huffman, CEO, at Durrants Hotel, London. Tel: 01 935 8131 on Monday, March 26, and Tuesday. March 27, or FAX to register your interest to (214)

> SECURED CAPITAL CORPORATION Plano (Dallas) Texas

を発し、 みずみ 発養で

BUSINESS OPPORTUNITIES

STRAPPED FOR

CASH?

Are you sure? Might there not be more than enough locked away in the form of excessive stocks? Dad burgeoning business compel premanure surrender of personal control of planning and buying? Why not discuss with ex-PMCG MD who has been in and freed himself, and since others, from similar traps.

Tel: 0277 211150

Working capital required to fund expansion of group of Companies handling project management work on joint venture deals in addition to diverse professional services, some internationally orientsted. Would suit private investor preferably with professional background/contacts. £500,000 required on terms to be agreed part share acquisition, part loan capital or facilities, consultancy arrangements welcomed.

Write Box F9660, Financial Times, One Southwark Bridge s, One Southwark Bridge, London SE1 9HL.

Short term finance

Working capital finance for stock and work in progress. For details contact M. Prizant,

CHURCHALL MERCHANTING LIMITED.

Churchill House, 136 Buckingham Palace Road, London SW1W 9SA. 01-730 8428

MORTGAGES

On Commercial & Industrial

Properties
at prime rates 5/10 years.
Interest only. Minimum loss
£500,000.

Apply to:

Europer's leading Planace Counties HIRSCH EVT (Planacial Services) LTD

YOUR SPANESH

CONNECTION

Wates see CNI, Volksman 54 - 3D, 2000. Madrid

Entrepreneurial Graduate

Chartered Accountant

38 with hands on commercial experience running own business looking for short-term or part-time position London

Write Fox F9617, Financial Times, Our Seathwark Bridge, Louise, SE1 9811.

EX BARRISTER & VENTURE CAPITALIST

Age 27. Recently menaged scoresful terriseround of private UK financial services Co. Now seeks management and or business development opportunity oversus. Swalling scalars with expensive knowledge of East Africa.

Stant Wright, 37 Shows Street, Talking SWI THE 01-25 5961

PROPERTY

PROFESSIONALS

Seek funding on shared

property market. Commercial and residential propositions. Write Box F9867, Financial Times, One Southwark Bridge, London SE1 SH.

AGENCIES

AVAILABLE

FOR SALE

of new manufacture of condoms for East and West European Countries. Quality and price very competitive.

Tel or Fax on 01-328 1566 (U.E.)

PROFITABLE U.K. MEAT AND

Seeks Joint Venture Partners or Major Investor to take advantage of opportunities for expansion throughout the European Commu-nity. Write Bex P9663, Flanneist Times, One Southwark Bridge, LONDON, SEI 9811.

SEEKING A PARTNER OR CONSIDERING RETIREMENT?

Dissipation and income to the activity and experience wishes to actively participate in a namification from the actively participate in a namification from the actively participated company. Particularly into ested where present owner wishes to plan for retirement.

Write Box F9652, Pinancial Times, Oce Southwark Bridge, London SE1 9HL

Trading Company for Sale

Well established, £2M p.a. turnover in industrial raw materials. Subsidiary in Crile and agents throughout South America. £150,000 tax losses available.

uit company wanting ammediate presence in South American

partnership or supercontains a with leading group interests Spanish stone. First class refer Madrid office svaliable.

m loan

agreement sted in the economical

for long term growth.

Barton Annual Control of the Control

February **學學者** 2007(200) later a state of Water of the Herry or a erena .

Man CA Thans ... 77.0

4.1.74

Barrier and Late of the Control of t

1954 P. L. 1216 D

3.7

GER EXPANSE 14 N. 15 772.7 12.51 eason - 12% 4 . .

 $(\alpha,\beta) \in \mathbb{R}^{n} \times \mathbb{R}^{n}$

Section 1995

C 175 2 1778

AND THE STREET :-1---

QUIPMEY · :- ' 1 J =

1.5 The state of the s

e grandina.

INVESTA OPPORTU

on Wakefield West Yorkshire Enterprise Zone, Good Yields/ Guaranteed Rental Income Colliers Stewart Newles

100% TAX

ALLOWANCES

AVAILABLE NOW

Ref: MP/TJR Tel: (0532) 454433 Fax: (0532) 459437 TELEVISION VIDEO FACILITIES

London video company (T.O. approx. £1.75m) with studio, edit surks and graphics is looking for a sures and graphics is looking for a partner.
Carrent base of approx. 500 cilents isolating production companies and most UK broadcast TV stations. A multi-caracta stadio with fibre optic lines to the Telecona Tower gives the company the potential of a long term cable or satellite contract.
We are looking for either a partial buy-is or an outright purchase.

Contact Nucl. Context. Contact: Noel Copley, Television Holdings, 65 Blandford St. London W1 01-486 6626

BRIDGING LOANS & TRADE FINANCE For quick sanction of secured short term loans, took finance, bills discoun nentary letters import does of credit etc. Programme Finance Limited, Princess House, 185-187 Princess Street, Manchester 141 6D(I). Tel: 961-236 1113

EAST ANGLIAN WINE MERCHANT WANTS TO BUY
VINTAGE PORT & CLARET TELEPHONE RICHARD HARVEY-JONES 0473 626072 FAX 0473 626004

COUNTRY MANSION HOUSE IN SUPERB LOCATION A38 - M1 CORRIDOR DERBYSHIRE

25,000 sq ft planning for offices, nursing home, sheltered accommodation. Excellent condition, set in Tel: 0332 880212

RACE HORSE TRAINER requires owner for fancied Grand National runner. For Details.

Tel:056 886/253.

ACCUSTRIP Depainting & Degreating systems.
DISTRIBUTORS REQUIRED
New Safe Effective. avironmentally friendly. Must have contacts industrial, sutomotive or aviation fields. ACCUSTRIP U.K. Lad Robson Way BLACKPOOL FY3 7PP

SINGAPORE CALLING Urgestly required by our Singa-pore Offices, Muster Franchise or Licensing Rights from companies in retailing or service Full information from Ray Sermon, Franchin: Davelopment Services, Castle House, Nerwich NR2 1PJ. Tel: 8683 628381, Parc 9683 630174

PATENT FOR SALE Worktwide Patemt for sale - unique car display sid. Unit now fully devel-oped and entering U.K. marketing and sales phase. German TUV approved. Mutri million pound sales potential. Write Box P9655, Financial Times, One Southwark Street, Loadon SEI 9HL

INTERESTING **BUSINESS PROJECT** Sought by gentleman with substantial funds and extensive

management experience. Write Box 19649, Floundal Times, One Southwark Bridge, LONDON, SEI 9812 FIRST CORPORATE FINANCE LTD TELEPHONE BY CONFERNCE 01-495 4004

A Mamber of FDABRA SUTTING OR SELLING A COMPANY? Finance for Expansion? Gerhaff Bentley 01-745-5020.

Write Box H5854, Financial Times, One Southwark Bridge, London SEI 9HL

BUSINESS SERVICES

Planning a Course or Conference

Why not use a Business Simulation as part of your programme? The PC Challenge partnership specialises in designing and running simulations for management training. Send for details to:

PC Challenge, 71a Rosendale Road, London SE21 8EZ Tel (01) 670 9357, (01) 947 6381 Fax (01) 947 6354

EQUIPMENT

AUCTIONS

ANTIQUE BOARDROOM **NEXT AUCTION** TABLE of life assurance policies for investment will be held on For Sale: Antique Mahogany Board-room Table, perion condition, one only. Size 4"x8", with two extension leaves extends to 4"x10" and 4"x13", sent from 8 to 14 people. Price \$4,000 + val. Photos on request. Thursday 29 March Telephone H.E. Poster & Cranfield for catalogue 01-608 1941 Funbra member Telephone 01-585 2213.

SOUTH WEST LONDON

An opportunity exists to acquire the freshold of 54, Queensgate, London SW7.

• 24 letting rooms with ensuite bathrooms.

· Planning permission for additional 10 letting room

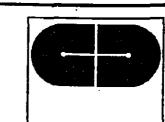
• Lonnge/Bar/Restaurant.

· Close to Exhibition Centres/Museums.

· Recently refurbished.

For further information contact the Receiver's agents, Mr A. Kushner of Christie & Co., London. Telephone: 01-799 2121. Fax: 01-222 0081. Ref: 20-019.

S5/57 High Holborn, London WCIV 6DX.
me: 01-405 8799. Teles: 261296 TRCHAN G. Fac: 01-831 2628.



P. S. DUNN FCA & D. A. T. WOOD FCA Joint Administrative Receivers

LOCKTON SHOPS PLC **AUDIO, TELEVISION & VIDEO RETAILERS**

Seven well situated and fully fitted shops S.E. England, Essex warehouse.
Sales currently running at about £2.75 m. pa.
Offers for group or individual units will be considered.

LATHAM CROSSLEY & DAVIS **INSOLVENCY SERVICES**

39 Park Street, London W1Y 3HG Tel (01) 408 1868 Fax (01) 629 9179

SNOOKER AND LEISURE CLUBS

Humberside/Brigg * 9 tables with 500 members Leeds/Morley (1 mile from M62) * 27 tables with 1500 members * 2 large function rooms

(capacity 750)

Situated in 4 acres of land

* Nightclub (capacity 250) * Permission for 15,000 sq ft

 Permission for 120 room hotel * Freehold

* Licensed bar ■ 5000 sq ft flat above club

Freehold

* 2 storey 10,000 sq ft building = Refurbished nightclub (capacity 300)

Hertfordshire/Hatfield

* Sub lease to pool club * Vacant function room with bar suitable for sub lease

BUSINESSES FOR SALE

* Leasehold

The Joint Administrative Receivers offer for sale all or part of the assets of the Funnatic Leisure Group Limited. For further information please contact Philip Ramsbottom or Alan Benzie.

KPMG Peat Marwick Corporate Recovery 7 Tib Lane, Manchester M2 6DS. Telephone: 061 832 4221 Fex: 061 832 7265

> Bulk Vegetable **Transportation**

The joint administrators, Gurpal Johal and Ron Hodkin are inviting offers for the business and assets of B.V.L.T. Limited, a company trading in Hull, North Humberside.

Turnover approximately £1.5m Specialist transportation of bulk vegetables to and from the close Continent

* Large fleet of insulated potato hoppers. For further information please contact Ron Hodkin or Trevor Clark at Spicer & Oppenheim & Partners, Elsworth House, 94 Alfred Gelder Street, Hull HUI 2SW.

Telephone: 0482 223579 Facsimile: 0482 223280.



Sign Manufacturer 100 C

This company manufactures, fits and services display signs of all 1000 types. long established company
 good nationwide customer base

800

new 6000 sq ft freehold annual turnover £800,000 For further details please contact: Steve Edmonds,

Grant Thornton, Elgin House, Billing Road, Northampton NN1 5AU Tel: 0604 27811 Fax: 0604 230422 Fax: 0604 230486

個外別 Grant Thornton **B**

AND COMPANY LIMITED

G.P. VICKERS

The Joint Administrative Receivers offer for sale as a going concern the business and assets of G.P. Vickers and Company Limited, a company engaged as textile

Features include:

* Turnover of approximately £4m per

* Extensive UK and European customer * Large stock of finished textiles

* Key supplier contacts in Europe and the Far East

* Single storey leasehold premises of approx 12,000 sq ft in Salford For further information please contact the Joint Administrative Receiver.
Philip Ramsbottom

KPMG Peat Marwick Corporate Recovery 7 Tib Lane, Manchester M2 6DS, Telephone: 061 832 4221, Fax: 061 832 7265.

JOINERY MANUFACTURER,

HOLYWELL, CLWYD The Joint Administrative Receivers offer the business and assets of the above company

for sale.

* £230,000 turnover * Leasehold Premises * Current order book * Specialised joinery equipment

For further information please contact the Joint Administrative Receiver:

FOR SALE

ENGINEERING

COMPANY

Well-established Midlands based manufacturer of Automotive components, with substantial plant and skilled workforce.

Annual turnover for 1989 - £12m, Major U.K. and overseas accounts. Substantial forward order book, future prospens and design facility. Property opportunity also available, Principals only need apply

Please Write to Box H5970,

Financial Times, One Southwark

Financial Times, One Southward Bridge, LONDON, SEI 9HL

Trading Company for Sale

Well established, £2M p.a. turnover in industrial raw materials. Subsidiary in Chile and agents throughout South America. £150,000 tax inseas available. Suit company wanting immediate pressure in South American market.

Write Box HS854, Financial Times, One Southwark Bridge, London SE1 9HL

KPING Peat Marwick Corporate Recovery Richmood House, 1 Rumford Place, Liverpool L3 9QY. Tel: 051 236 5052, Pax: 051 236 1882.

UK DISTRIBUTION OF BUILDING PRODUCTS

Turnover 1989 approx. £7 million, 25% growth forecast for 1990.

Profit before tax 1989 £0.75 million, 30% growth forecast in 1990.

 High quality products sourced from long standing suppliers. Market leader in chosen niche geographical area.

Innovative and highly successful selling approach capable of being

COSTA ALMERIA

FREEHOLD SPORTS COMPLEX

Club House - 11 double bedrooms each with private facilities, but, restauran

lounge, shop etc. Grounds of 12,600m with two swimming pools and facilities for bowling, termis, squash. Signated 500m from the beach and

242,000,000 pesetas (c. £1,315,000)

For further details of this, and other top leasure opportunities such as sports clubs, health farms, hotels and golf courses in Spain, the Malteso Islands and Franco write, expressing area of interest, to, Box H5983, Financial Times, One Southwark Bridge, London SE1 9HL

backed by mountains, adjacent to a captive luxury residential develop Projected annual T/O to excess of £600,000

Brand new, fully furnished and equipped

developed elsewhere in UK.

Potential purchasers please WRITE to Ian Smith at Acre House, 69/76 Long Acre, London WC2E 9JW LIVINGSTONE FISHER PLC

THE ACQUISITION AND DISPOSAL SPECIALISTS

O

\$ 65 PM

HUMAN RESOURCES CONSULTANCY FOR SALE

Highly profitable limited company in management training, resources and executive recruitment. Fully computerised with "State of the Art" equipment. Prestige freehold offices. Approx 900 clients. T/O £300K includes substantial fee income. Price £500,000 including lease or £700,000 to include freehold. Location SW London.

Principals only apply with absolute discretion to Box H5972 Financial Times, One Southwark Bridge, London SE1 9HL

NORTH SALMON SMOKERY LIMITED

The Joint Administrative Receivers offer for sale as a going concern the business and assets of a major salmon smokery in the North East:

* Prestigious customer base including major airlines and hotels

 fully equipped leasehold site in Peterlee (Co. Durham) incorporating smoking house and modern offices

* budgeted turnover for 1990 approximately £5m * experienced workforce

For further details please contact A J Katz or P Stanley c/o Arthur Andersen & Co., St Pauls House,

Park Square. Leeds LS1 2PJ. Tel: 0532 416250

or 061 200 0297



FORMULA SPORT INTERNATIONAL LTD. (IN ADMINISTRATIVE RECEIVERSHIP)

The Joint Administrative Receivers offer for sale the business and assets of Formula Sport International Ltd. The Company markets and sells 'Inter' Sports shoes and the latter under licence.

Established brand name and distribution

* 1.5 million of balanced "Inter" shoe stock available.

New 3.5 acre freehold property near

Southarn in Warwickshire, with potential for redevelopment. * Turnover 1988/89 £2.9 million Projected 1990 £5.0 million.

For further information please contact: Tony Brierley or Simon Freakley Arthur Andersen & Co., P.O. Box No. 55,

1 Surrey Street, London WC2R 2NT. Tel: 01-438 3333

Fax: 01-831 1133

Telex: 8812711

ANDERSEN



One of Scotland's larger salmon farms is offered for sale as a going concern by the Receivers. Facilities in Skye include 2 Seasites capable of producing in excess of 2,000 tonnes per annum, together with a purpose-built shore based building.

Farm

Skilled workforce presently retained by the Receivers. For further information contact:

Stuart Fraser, Receiver, Ernst & Young, George House, 50 George Square, Glasgow G2 1RR. Tel: 041 552 3456.

Ernst & Young

60 BED PURPOSE BUILT QUALITY NURSING HOME DEVELOPMENT FOR SALE

1.5 acre site in a prominent position over looking sea in a South Eastern Scottish town. All rooms are en suite the majority being singles. Detailed planning granted, well experienced architects and established contractors in place. Agreed building contract signed. Building works to be completed December 1990.

Price required £425,000 for site, including benefit of planning and agreed building contract.

Ref: RB/CH

Write Box H5963, Financial Times, One Southwark Bridge, London SE: 9HL



The Joint Administrative Receivers offer for sale this exclusive luxury waterside homes development planned in 3 phases.

- Attractive coastal site at Swanage Bay Dorset.
- Phase I completed and part sold. Phase II with detailed planning permission,
- construction about to commence.
- Phase III with outline planning permission, full
- detailed permission being applied for. Private beach and substantial swinging moorings.
- Restored clock tower, listed buildings and historical pier for renovation.

Further information may be obtained from the Joint Administrative Receivers R Hocking FCCA or PR Copp FCA FCCA (ref 7/PMS).



8 BAKER STREET, LONDON WIM IDA TEL 01-486 5888 FAX 01-487 3686 TELEX 267716 HORWAT.

Fork Lift **Truck Sales** and Hire

REDDISH, nr. STOCKPORT

The Joint Administrative Receivers of Powerquip Limited and Powerquip Rentals Limited invite offers for the business and

- Established fork lift truck sales and hire bosiness
- Current turnover annualised at £8m
- Freehold site in Reddish, Stockport Highly skilled workforce of over 100

For details please contact: D. H. Slade FCA, Ernst & Young, Lowry House, 17 Marble Street, Manchester M2 3AW Tel: 061-953 9000. Fax: 061-834 7117.

Ernst & Young

Importer & Wholesaler of Marble & Granite

The Joint Administrative Receivers offer for sale the business and/or assets of The Lidster Group Ltd and its subsidiaries which trade as 'Beavin'.

- Principal Assets include: 2 freehold properties: 28,800 sq ft at Worksop, Notts, and 11,600 sq ft near Swansea
- Stone cutting and polishing equipment Substantial stocks of sheet and cut marble and

Projected turnover approximately £2m at Worksop and £0.5m at Swansea.

For further information contact R S Harding or M Lloyd. Pannell Kerr Forster & Partners, Regent House, Clinton Avenue, Nottingham, NG5 1AZ. Tel no. 0602 608171. Fax no. 0602 603665 Anthurbed by The Budiese of Charterel Access England and Wales to carry as intendical land



P.J.R. Souster F.C.A. and D.M. Walker F.C.A. as Joint Administrative ceivers, offer for sale the Business and Assets of

EXPRESS MOTOR PARCEL DELIVERY SERVICE LIMITED

Haulege and Carage Contractors based in Metropolitan London. Freehold and leasehold premises, 21 vehicles. Turnover approximately £500,000.

For further information contact the Receivers at: BAKER TILLY, COMMONWEALTH HOUSE, 1 NEW OXFORD STREET, LONDON WC1A 1PF. Tel: 01-404 5541. Fax: 01 405 2836

CHARTERED ACCOUNTANTS BAKER TILLY

By Order of the Joint Administrative Receivers
R W Birchiti Esq. RCA., and C J Barlow Esq. RCA., of Messrs Cork Guity **FOR SALE**

FREEHOLD COUNTRY HOUSE HOTEL

Nr. Swindon Established restaurant

10 En-suite bedrooms □ Grade II Listed Building 2 miles from Junction 16 of M4
Rural setting

Contact Mark Ebo ARICS or Chris Price ARICS on Bristol (0272) 273454

EDWARD SYMMONS HOTEL DEPARTMENT

DOUBLE GLAZING & CONSERVATORY FACTORY FOR SALE IN COVENTRY

We have a fully fitted factory capable of approx. £8M turnover, 12,000 sq.ft., very low rent, good lease. Business available if required.

Details from: Queensway Securities, Permanent House, 17 Exchange Road, Watford WD1 7EB Fax: 0923 31705

Hendon Squash and **Leisure Club Limited**

Business and assets of this North London Squash and Leisure Club for sale as a going concern.

- 9 squash courts, swimming pool, gymnosium.
- Recent extensive refurbishment.
- Approximately 1,800 members. ■ North London freehold site covering over 1.5 acres.
- For further details confact the joint ordinistrative receivers:

Neil Cooper and Ipe Jacob

ROBSON RHODES

186 City Road, London ECIV 2NU Telephone: 01-251 1644 Telex: 885734 Fax: 01-253 4629 Authorised by the instricte of Char

CHESHAM. BECAUSE YOU ONLY SELL YOUR BUSINESS ONCE.

And you want the right buyer. With confidential briefs from hundreds of acquisitive public company chairmen who are looking to buy successful, private companies worth £500,000 to £25 million, we ought to be able to help. So if you're thinking of selling your business, contact our Managing Director to arrange a confidential discussion.



CHESHAM **AMALGAMATIONS** The first name in merger broking.

Chesham House, 2 Bentinck Street, London W1M 6JX. **Telephone: 01-935 2748**

Near Preston, Lancashire close to M6 Conference & Tourist Hotel. **Banqueting & Nightclub**

3 star 151 ensuite bedroom Hotel with 2 restan 9 conference and banquering suites, leisure centre, pub and shop on excellent site.

Projected T/O Y.E. Sept. 1990 £4m FREEHOLD FOR SALE Contact Peter Sandes

Yorkshire City **Modern Commercial Hotel**

Bordering new light industrial area. Close major motorways. 43 ensuite bedrooms, bars, conference & leisure facilities. Projected T/O Y.E. March 1990 £1.12 m. Profits circa £350,000. Freehold offers in region of £2.5m Contact Peter Sandes

On the instructions of John Soden

A very well located Tourist Hotel

The Edwardian Hotel Harrington Gardens, London SW7 bedrooms, 2 bars, res FOR SALE LEASEHOLD

Sarum Glaziers Limited

(In Receivership)

Contact Matthew Ballour

The assets of the above company are available for sale as a result of receivership. These include: Valuable two acre freehold property in Salisbury, with a modern industrial unit of approximately 28,000 square feet together with offices of approximately 5,000 square feet.

- Specialist glass toughening, cleaning and cutting plant and machinery including an IPE Glass Tempering unit and two WMS Glass Washing
- The benefit of 32 glazing contracts with an approximate outstanding value of £145,000. Specialist stocks of glass and window framing

For further information please contact: PS Padmore, Price Waterhouse, The Quay, 30 Channel Way, Ocean Village, Southampton SO1 1XF. Telephone: 0703 330077. Telex: 477260. Fax: 0703 223473.

Price Waterhouse



from principals, whether buying or selling. All types ss sought, regardless of industry, size or location. The strictest confidence is maint

KENT COMM BLDG CONTRACTOR - Estab Co. Regular ords from FLC's. F. Hold size. T.O. £750K. Good NF. Price £400K. + J. not seasts (Ref 2C246812) NORTH - DESIGN AND BUILDING CONTRACTORS - Proj T.O. £150K + Majority contracts London/FLCounties. Estab 25 years. F/Hold EIM + J. courses at seasts (REf 2C3) N. HUMBERSIDE - CARAVAN RENTAL/SALES - 40 secre size. Lio for 400 picohes. Night clob/bar/samusements/fish & chip T.O. £247K. GP £116K. £1.5M (Ref

EWIBASTYK)

LONDON - KCE MAKING COMPANY - Well estab Co producing good NP 0.239K

LONDON - KCE MAKING COMPANY - Well estab Co producing good NP 0.239K

current financial year - sucel value £125K (Ref ZFF24/31)

SYNTHETIC OIL BASED PRODUCT - With estab applications for sutamotive one, food means & assimal bashaddery & commetics. Purchaser sought to further devotors range (Ref ZNC24/32)

LINCS - BUS/COACH TOUR OPERATION - 3 depots Local/international routes.

T.O £701k plan. L/16dd Price 5223,000 including 33 Vehicle floet (Ref ZO(1868R))

OFFICE CLEANING CONTRACTOR - Unique opportunity - One of the few consisting Franchist territories with leading UK Contractor. Very high returns for modest investment. Host of "Blue Chip" clients, Advais rather than mercal (Ref AM7001)

Vrite to the General Manager verett Massor, & Furby Corporate 9462 422499 Fax 8452 429852 FAFRETT MASSON

COMMERCIAL PREMISES, MAINTENANCE REPAIR AND REFURBISHMENT COMPANY dealing mainly with PLOs, County Councils, Banks, Local Authorities etc. Rising profit trend, established 11 years. Turnover £750K. Net profit £200K+. Price £750k including freshold premises. Hants, south coast. Directors retiring due to ill health.

Write Box H5979, Financial Times, One Southwark Bridge, London SE1 9HL

NEVOLE LIMITED (In Receivership)

The Administrative Receiver offers for sale assets of the above company situated in Golders Green, London

Main assets consist of:

BUSINESSES FOR SALE

 Freehold property presently used as car showrooms and workshops at the rear together with two floors of ancillary office area presently unoccupied. The premises are situated on main Golders Green Road close to Brent Cross and North Circular Road. Total area is approximately 28000 sq feet. Suitable for other trades or development subject to planning consent.

For further information please contact the Administrative Receiver.

> Mr S K Singla FCA SINGLA & COMPANY 49 Queen Victoria Street London EC4N 4SA Phone 01-236 2184 Fax 61-236 4944

Smith & Williamson

nene - Pensions & Life Assurance - Accord

FOR SALE HOUSEWARES DISTRIBUTION COMPANY

- ★ Turnover cf2.5m p.s.
- ★ Well established customer base.
- ★ Profitable since incorporation.
- * Based in South East England. * Freehold premises and warehouse.
- ★ One retail outlet.

For details, write to Jeff Keating or John Hardcastle at the offices of Smith & Williamson, No.1 Riding House Street, London W1A 3AS. Telephone: 01-637 5377. Fax: 01-323 2714.

Smith & Williamson, Chartered Accountants Authorised by the Institute of Chartered Accountant In England and Wales to carry

Smith & Williamson Securities Authorised institution under Banking Act 1987. Member of IMRO, Member of the

By Order of the Joint Administrative Receivers R. Robinson F.C.A. and I. Clark FUPA. of Kidsons & Portners Re: Penn Point Systems Ltd.

COMPUTER HARDWARE AND SOFTWARE SYSTEMS BUSINESS

Own recently developed Leisure Management System together with wide range of office systems packages. Consultancy support and training facilities. Large number of major national compaines and public authority clients. i.C.L. approved trader. Freehold properly. Sales about £1.6m p.a. **Business & Assets For Sale**

For details apply to Joint Administrative Receivers or Agents:

ENAMOSYMMONS & PARTINIERS

dry House, 36 Geo Tale 061 236 7733 .

On the Instructions of the Joint Liquidators: D.A.T. Wood Fag. of Lathern Crossley & Davis and

C.W. Nield Brg. of Cock Gully THE NEW DIRECTION FOUNDATION LIMITED

(In Liquidation) The assets of the above Company are offered for sale.

- 3 Outdoor Innervators coaches designed as mobile centres with Climbing Wall, Observation Platform, Roof-top Stage, Tollets/Showers, Kitchen and Andio/Visual Equipment
- sociated Activity Equipment for Camping, Canoeing, Caving, Climbing.

DRYDEN STIRZAKER LIMITED International Industrial Plant Values, Ann. Property Consultants of Agents

eson Court, Alderiey Road, Wilmslow SK9 1NX Telephone 0625 536700 Fax 0625 536121



Cheshire location small group, registered 76. Full management, turnover in excess of £700,000.

PRICE £1.640.000 Purpose built Residential Care Home registered for 45, potential to increase current registration. High profits good occupancy. PRICE £950,000

Group S.E. England registered 258, turnover in excess £2,600,000. Price on app

Full details from June Willoughby, Taylor Corporate, 01 390 8130.

A member of the Duchess Sales Group pie

REGENT ASSOCIATES

FOR SALE

COMPUTER SUPPLIES AND CONSUMABLES COMPANY The Company is a specialist distributor of branded consumables for information processing equipment, offering a UK-wide coverage.

The business is profitable with turnover in the current financial year approaching £8m.

For further information principals able to act quickly should contact: Regent Associates by fax on 01 332 2771.

New Product Opportunities



From our extensive range of national and international sources we have many new technologies/inventions/product import rights available for license. Telephone or write for further information.

ores to Industry Limited. I House, George Stred, Arleidury, Bucks, HP20 3141, England no: (0296) 86141 — Facalinille: (0296) 433199 — Tejen: 537620

FOR SALE MODERN ELECTRONICS PRODUCTION

near Bath.

Professional management and staff in a good catchment area Significant recent investment in assembly and test equipment.

Quality approvals to AQAP 1.

Write Box H5977, Financial Times, One Southwark Bridge, LONDON, SEI 9HL

Situated in Northern England this 10,000 sq ft factory currently producing a range of cooked and continental meat products offers an opportunity to expand the existing business or utilise as EEC approved premises. Offers considered for freehold land and buildings and/or plant

BIRMINGHAM PRINT

This highly profitable Company is for sale and the Vendors expect to realise a figure in excess of £750,000.

Application, marked 'Print Company' to Burman & Co., Chartered Accountants, Burman House, 39 George Road, Edgbaston, Birmingham BIS 1PL

MAJOR SOFTWARE OPPORTUNITY

issovative softwere house for sale; highly developed products using Windows and OSI2 Presentation Manager for IBM PC and PS/2 computers, initial sales and

Please write for further information to: Box HS976, Financial Times, One Southwark Sridge, London SE; SHL

BUSINESS Majority stake in USA quoted company trading in the USA and

The company sells high quality second-hand computer parts to end users and maintainers of OEM computer equipment. Turnover £4.5 million. Enormous potential would suit MBI team or trade buyer experienced in the computer industry.

Principals only to reply as the identity of the vendor will only be provided to proven purchasers.

BUYER SOUGHT

in Surrey.

For sale in the North West, comprising fully equipped bakery, expanding wholesale base and prestigious retail outlet with valuable lease. T/o £400,000. Selling price £275,000. Principals only, write in strict confidence to:

FMS Askton & Go., Chartered Accountants, The Graftons, Stanford New Road, Altrincham,

Well established Central Lon-don accountancy staff agency, with turnover of £1.3 million, for sale. Current management would wish to remain with busi-

Offers based on £450,000 to include freshold premises, fixtures tings, goodwill and licenses. Write Box H.5968, Financial Times, One Southwark Bridge, London SEI 9FIL

Business For Sale South Yorkshire based haulage and warehousing company with substantial freehold property inter-sits. Asset value in excess of £1.5m. Tursover in excess of £1.5m. Seven employees. Would be of interest to haulage, storage, dis-tribution or property company. Write Bex H5971, Flatmend Threes, One Southwark Bridge, London SE1 9HL

FOR SALE

reprietor willing to negotiate
Service contract.
Only Principals to apply. Write Box H5988, Financial Times, One Southwark Bridge, London SE: 9HL

Company situated on the NE Hampshire/Surrey borders specialising in the manufacture of composite

For Sale As Going Concern Excimive Car Valeting Service

Based in Mitton Keynes. Incorporating a personal and regular service to executive and private customers only. Principals only. Write But ESPS4, Financial Times, One Sentiment Bridge, London SEI 9HL

Manhattan N.Y.C. area. Busines real estate for safe, not lease, Seri qualified principals only, please (

0101 212 242 8142. or Fax 0101 212 255 2118

Electronics facility for sale in a cost competitive area close to M4

An ideal opportunity to acquire electronics capacity at a realistic price in the rapidly expanding M4 corridor.

Write Box H5967, Financial Times, One Southwark Bridge, London, SE1 9HL

REPRODUCTION COMPANY

COMPUTER PARTS

Write Box H5980, Financial Times, One Southwark Bridge, LONDON, SEI 9HL

for long established com-pany dealing with the import and distribution of electronic business nachines presently based

For further details, please write box H5964, Flasacial Timus, One Seathwark Bridge, Leaden SE1 9FIL

BAKERY BUSINESS

hire WA14 1DO ACCOUNTANCY RECRUITMENT AGENCY FOR SALE

For further information please write to Box H5975, Financial Times, One Southwark Bridge, Landon SE1 9HL

ESTATE AGENCY.

Specialist Recruitment Agency. Annual Turnover £400,000. Annual Turnover £400,0 Net Proift £150,000.

panels for race and rally cars, Write Hox H3967, Vinnacial Times, One Senteret Bridge, LONDON, SEI 941.

RESTAURANT/CABARET WORLD CLASS, critically acclaimed restaurant/caberel, 10,000 sq ft in hot

FACILITY

ital property 15,000 sq ft with room for expansion Comprising

EEC APPROVED FOOD FACTORY FOR SALE

Substantial sales potential, but underlunded. Marketing expertise required to distribute products in Europe and/or USA to fulfil considerable product premise.

CASH AND **CARRY** FOR SALE

> Midlands. Superb motorway access and modern leased warehouse facilities. Turnover approximately £1.5 million.

Based in West

Write Box H5965,

Financial Times, One Southwark Bridge, London

SEI 9ĤL

Established educational

company with French

subsidiary operating

from attractive freehold

properties in France.

3

FOR SALE

Write for details to Box H5957, Financial Traies, One Southwark Bridge, LONDON. SEI 9HL ADVERTISING MEDIUM 1 ble contracts with outlets. Sa

est. £1 % mill. over two years. Proven approach. Gross profit c. 60% CAN YOU DEVELOP A SELF-EM-PLOYED SALES FORCE? Six-figures on comple for this 'Cash Cow'. Write Box H5934, Fina

One Southwark Bridge, London SE1 9HL

WEST READING 2 FRANCHISHED **GARAGE BUSINESSES** FOR SALE 1 Freehold Garage, dast fra development potential for 12 - 14,000 sq ft offices.

Leasehold Garage, single fran-chise. £1.5 million turnover. Both in affluent locations Phone 0754 731101 ELECTRONIC EQUIPMENT COMPANY Growing high technology equip-ment business located close to

ment business located close to the M25. Business currently profitable with strong market share position in the UK and Europe. Proprietory technology in both hardware and software. Blue chip customer list. Write Box H5973, Financial Times, One Southwark Bridge, London SE1 9HI.

CATERING EQUIPMENT MANUFACTURER SPAIN any based in Barre Company based in Barcelona designing and menufacturing comiet and storage and industrial freezing units. Own free-hold property, proprietor deceased, urgant sale required. Turpower 54 million. Pretza profit £750k. 45 employees.

Serious enquiries only to Anglo Spanish Associates Ltd. 101 Crawford Street, London WIH IAN Fax 01 724 8053

FOR SALE Modern Non-Ferrons Foundry Sand and Gravity Die company based in the Middands. Existing Directors willing to sign ser-vice contracts for limited period (if required)
Potential for expansion and growth
in turnover and profit.
Principals only to apply. Write Box H5989, Financial One Southwark Bridge, London SEI 9HL

> PROFITABLE BUSINESSES FOR SALE By Owner AFFILIATED

EUSENESS CONSULTANTS Ken Williams 719-548 8888 Colorado Springs,CO THE PINES Magnificently aited townst develop-ment Trossachs/Loch Lorsond Arts. Crill Room, Restaurant, Petrol Sta-tion, 3 shops, 5 bed Owner's bouse. Flaming consent for hotel. Around 3 acres. PRICE OFFERS OVER £385,000 + SAV

Serviced Offices 5,000 sq.ft. (19 offices) in delightful South of England city. Newly-built. 90% let. Offers invited for freehold. high quality furnishings and

Apply SEYMOUR PAUL & CO. 841 332 9200

Write Box H595B, Funntial Times, One Southwark Bridge, London SEI 9HL

DISTRIBUTOR PACKAGING GOODS AND RELATED SERVICE PRODUCTS

BELLAY MARCHES

MICS PRODUCING

Allen as as as as as a second
Bay of the second of the secon

Markey Comment There, i the way board by

PARTOKY : 18 ME

The same of the sa

iller paragon

HAM PRINT

ONCOMPANY

AE OPPORT

CASHAY

(1881.)

FOR SAU

 $\mathcal{D} = \{ L_1 | p_0 \}$

Albert - They

FORSE

Sec. 15. 38

100

8.5%

--

BATTLE OF THE STATE OF Action to produce the state of
SALE

Mainly food packaging & retaining.
T.O. £1m +: Profitable.

White Box P1990, Financial Times, One Southwark Bridge, London SEI 941L

MOTOR DEALERSHIP FOR SALE

Long established, profitable busi-tess with major franchise and Write Box H5984, Financial Times, One Southwark Bridge, London SE1 9HL

Walt-setablished Company providing consultancy and training to the Hotel and Tourist Industries. Good consists; record of growth, Good profits. Gesuine reason for sale. Principals

only Please.

Only Please.

Wyle Box H698f, Financial Times,
One Southwark Bridge,
London SEI SHL FOR SALE

Prestigious CD/Tape/Record store in N.W. London due to owner migrating. T/O in excess of £500,000 p.a. Leanchold premises. Thriving business opportunity. Offers invited. Wite Bar HSFR, Fanacial Thee, One Seathment Builge, Leades SE1 9HL

Well Fatablished TYPESETTING COMPANY FOR SALE Highly skilled staff, modern computerised plant, purpose built freehold premises. Picase webs box H592, Picascial Tunes, One Southwark Bridge, London, SEI 9HL

MARBELLA

Magnificent supermarket beautifully fitted. Excellent profits. Write Box H5982, Financial Times, One Southwark Bridge, Times, One Southwark I London SE1 9HL

BUILDING CONTRACTOR T.O. £3ML (approx) Old Established - London Area Full details from Sole Agents:

Partridge & Ca., 24 Woodmers Way, Park Langley, Besteinburn, Kent. BRJ 282, Tel: 01-650 3314

FRANCHISE COMPANY SPECIALIST LADIES WEAR merous existing outlets,

considerable scope for expansion in both UK and Europe. Write Box H5960, Firesciel Times, One Southwark Bridge, London SE1 961.

ESSEX DRUG STORE GROUP FOR SALE

Turnover £1 million+ Write Box H5959, Financial Times, One Southwark Bridge, LONDON, SEI 9HL

UPVC WINDOW/DOOR. MANUFACTURER, FOR SALE South Coast Location Turnover £1.5m - All Trade Sales Profitable Good Reputation pels only write to: OML, Static supe, Horth Street, HAVANT, Hempshire POP IQU

MARBELLA Most successful cafeteria/ restaurant in Marbella. Positively best location.

Write Box H5981, Financial Times One Southwark Bridge, London SEI 9HL

ELECTRICAL CONTRACTING COMPANY for sale in Croydon Member of E.C.A., NLG.ELG., JLB., 714C, New 1800 sq. 8, 25 year Josephold Previews 770 230K. No labilities, great potentiel, Write Sox H9061, Financial Times, One Southwark Bridge, London 251 SH.

BUSINESS SERVICES

COMMERCIAL

FINANCE 12.75% Fixed interest Mortogoe Business Finance to 80% of cost Construction Finance to 100%

Tel: 01-379 6322 Fee: 01-379 4152

SOVEREIGN INSURANCE CONSULTANT (LONDON) LTD

Mar of the constant restricting to the

LOANS Op to £1 million reported on democi property to 50% of valuation or manyield property to 70% of valuareporty to 79% of rol

Open to directors, limited panies and partners, non state no accounts or jecture proof quined, No capital repayments Contact James Rye

NIGERIAN PROMISSORY NOTES

Specialist traders in Nigerian debt Telephone Mr Miller

01-346 7234 Business in Russia ESM & Associates

Russian speaking specialising in business development in Soviet Union with unrestricted travel in USSR undertakes business assignments. Leaving for Moscow on March 29. Please Call 01-940 9236

EVENOR ST, MAYFAIR Lux furn ser-ed offices from £150 pm. Sec, fax, below. reflong let 01-403 7830.

THE REGISTRAR Company Secretary
Software

PRINT YOUR OWN FORMS
Insual Returns (A383) - AGM Minutes
Directors Minutes - Statutory Books
ornes 288, 287, 224, 225(1), 89(2), 123
Stock Trensfers - Resolutions

COSEC новат - эн сту коло - цэноэн вст Telephone 01-250 1234

BRUSSELS WARSAW BUDAPEST LONDON Fully furnished, first class

secretarial services.
Prestigious locations.

AVIATION BUSINESS CONSULTANTS

Airport, Airline and Aircraft - Peasi-bliry studies, acquisitions, disposals, management, development, extering and hotels, personnel and marketing. Contury House, Reading St. Tenterden, Kent. England. Tel (22382641 Fac: (22382661 Telex 966159

Your business address in Germany's capital Boun from DM 295, - p.m. on: B & P Business Service KG Acherstr. 30, 5300 Boun 1

Tel: 0228-652714 Fax: 0228 693185

YESS AND ASSETS of solvent and orvent companies for sale. Business Assets. Tel: 01-282 1164 BIANCE FOR EXPANSION BY FACTORING. Specialist independent service tailor made for the small business with cash flow problems. County Factors Limited (0202) 680834

OMECT MAIL LETTE & SERVICES 100'S of ready-made lists immediately evaliable. Suppliers to leading UK companies. Free catalogue. Market-scan, Freepost. Chi-chester, Seesex. Tel 0243 785711

BUSINESS WANTED

CORPORATE FINANCE

ANNOUNCEMENT!

We are keen to contact the owners of established profitable companies who are considering selling part or all of their shares.

Not being limited to any specific business sectors we wish to meet principals of companies within the UK who are making a minimum pre-tax profit of \$100,000 with no apper limits.

ormation, or a copy of our Company Link net please contact Mark Dunn A.C.A. on 6625 535733, Fax 6625 536001.

WANTED QUOTED ENGINEERING COMPANY OR SHELL FOR REVERSE TAKEOVER All replies should be addressed to the Chief Executive Officer at the address below, and will be treated in the strictest confidence.

Apex Holdings Company Limited 160 Park Lane LONDON WIY 4AR

RECRUITMENT **COMPANIES**

Major company wishes to acquire Recruitment Companies in London, the South & Milton Keynes.

Please write to Box no H5938, Financial Times, One Southwark Bridge, LONDON, SEI 9HL

BUILDING CONTRACTORS

Expanding U.K. private Group seeks to acquire a company with a turnover of £4 - £10M + in the Midlands. 'Phone or write in confidence to Company's Retained Agents:

Partridge & Company, 24 Woodmere Way, Beckenham, Kent, BR3 2SL Tel: 01-650 3314

Businesses for Sale East Midlands Franchised Car Rental **Contract Hire**

* International Franchised Name.

* 8 outlets - recently refurbished, freehold and leasehold.

★ Turnover — Car Rental £2m+ Contract Hire film+

* Recent significant growth * Established customer base

★ Approximately 80 employees

For further details please contact: John Wilson, Lindsay Denney or Sue Lewis at Clumber Avenue, Sherwood Rise, Nottingham NG5 IAH. Telephone: (0602) 607131. SPICER & OPPENHEIM

& PARTNERS

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

Magazine Publishing, **Events and Exhibitions**

The business and assets of Focus Investments Limited, Focus Events Limited, Focus Magazines Limited and Avralite Limited (in Adminis Receivership) are offered for sale as a going concern by the Administrative Receivers. For further particulars, contact the Joint

Administrative Receivers: S.J.L. Adamson CA and W.M. Roberts FCA, Becket House, 1 Lambeth Palace Road, London SE1 7EU. Telephone: 01-928 2000 Ext. 3120. Fax: 01-928 1345.

Ernst & Young

SOUTH KIRKBY, WEST YORKSHIRE

The business, business assets and goodwill of the above Construction Business are advertised for sale. Turnover approximately \$8 million.

Freehold Property (Industrial/offices), contract work in progress, plant, vehicles, stocks and office

For further details please confact Edward Klempka: or Greham Balley at Coopers & Lybrand Deloitte.
Clotta Hall Court, Infirmary Street, Leeds LS1 2HT. Tel: (0532) 455166. Fax: (0532) 434567.



FOR SALE THE BUSINESS AND **ASSETS OF JOHN VARLEY** (IRON FOUNDRY) LIMITED

The Joint Administrative Receivers offer for sale as a going concern the business and assets of John Varley (Iron Foundry) Limited:

- * Freehold premises 43,000 square feet
- * 2.4 acres industrial land
- * Fully equipped iron foundry
- * Substantial forward order book * Located in St Helens, Merseyside

For further information contact: Alan Katz or Jill Barker Arthur Andersen & Co., Bank House Charlotte Street Manchester M1 4EU

Tel: (061) 200 0297 Fax: (061) 228 1421



BUSINESS WANTED

Private investor

with international connections wishes to acquire small profitable import/export business preferably with a manufacturing base in the U.K. bias towards aerosols and like products. Please supply details to:

Chartered Acco Fisher Conway Fenton & Co,

Chancery House, Chancery Lane, Loudon WC2A 1SF fax 831 8955

EMERGENCY LIGHTING/FIRE ALARMS Diversified Company with significant stake in this growth area wishes to discuss propositions

Write Box H5974, Financial Times, One Southwark Bridge, London SE1 9HL

only.

for merger or acquisition. Principals

COMPUTER SERVICES Experienced professionals with substantial capital available invite organizations with UNA or ICL processing facilities to contact them with view to joint ventures or outright sale. Applications, in confidence to: Write Box H5865, Financial Times, One Sputment Bridge, Landon SE1 SHL

Business acquisition OPPORTUNITY

Circa £350 to £380K

We are privileged to offer a unique opportunity to acquire a healthy, growing business, with property, in the imported household turniture market. High quality, up market product range with proven appeal across a broad

The package is comprised of the business, good will, stock to approximately \$20k and besutiful listed grade 11 country house showroom (1,500 sq.ft. epprox) set in its own 1/2 scre plot.

This is an ideal run-from-home business which currently shows over 40% gross profit mergin with plenty of scope for expension.

Principals only, please write or telephone in the first instance:

Adbusiness 23 Reynes Drive, Oakley, Bedford MK43 7SD Telephone: (02302) 3873 (answering m/c)

BUSINESS FOR SALE

Principal Activities - Processing, Packaging Wholesalers and Retailers of Pre-packed Food. Long established business based in East London. Estimated turnover £4,000,000 p.a. with substantial scope to develop. Blue Chip Clients.

Write Box H5931, Financial Times, One Southwark Bridge, London SE1 9HL

SUPPLIER OF MADE TO MEASURE WORKTOPS

For sale as a going concern. Well equipped factory located near Southampton. Skilled workforce. Excellent order book. Patents for exciting and potentially profitable new product line. Turnover £1.3 million with potential for substantial

Apply to the Administrative Receiver: RICHARD FLOYD FLOYD HARRIS 9 Beaufort Road
KINGSTON UPON THAMES
Surrey KT1 2TH Telephone: 01 547 1888
Fax: 01-547 3255

Business opportunities appear every Tuesday and Saturday.

Advertising rates: **Business Opportunities** £51 per

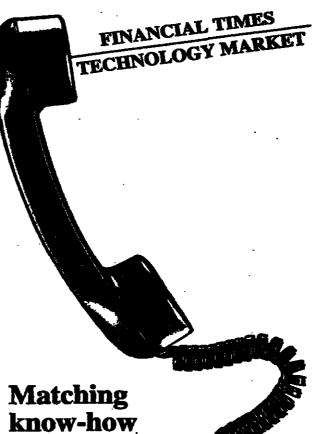
single column centimetre - minimum 3cm £14.50 per line - minimum 3 lines

Business for sale/wanted £46 per single column centimetre - minimum 3 cm £13.50 per line - minimum 3 lines

For further details please contact:

Gavin Bishop 01-873 4780 Sara Mason 01-873 3308

or write to: Classified Department, Financial Times, 1, Southwark Bridge, London SE1 9HL



to know-who

Does your technology have a market?

The Financial Times Technology Market appears every Wednesday as a half page of advertising for buyers and sellers of new technology.

This new service is a natural evolution of our Technology Page editorial coverage which has been established for over 20 years.

If you need a market for your new technology or new technology for your market, the Technology Market provides you with the ideal advertising opportunity.

For further information and a copy of our Technology Market brochure, please contact:

Antony Carbonari on 01-873 3412 or Michael Rowlands on 01-873 3349

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

Number One Southwark Bridge, London SE1 9HL

Telephone: 01-873 3000

DIVERCO Sell Companies Nationwide

SELLERS and BUYERS Contact in confide DIVERCO LTD. 4 Benk Street, Worosster WR1 2EW. Tel: 0905 22303

AIRCRAFT FOR SALE

For Sale

1963 Kingsir F90-1 SAN LA-211 Total HRS 900 NDH Complete Dual Avionics 2 5" AD-650's and

2 EHSI-74's

Exceptionally well

equipped.

Immaculate condition.

For further details please phone 0403 77212 or Fax 0403 77201 CORPORATE & AVIATION **SERVICES**

advice - inspection valuation acquisition - delivery operation -

Atlantic Bridge Aviation Limited Tel: 023383 671 Fax: 023383 661 Tlx: 966159

MANAGEMENT COURSES

Strathclyde Graduate Business

The Strathdyde Graduate Business School is

internationally renowned and respected as one of the most innovative Business Schools in Europe. We are now accepting applications for enrolment to our MBA Programme. We offer a flexible, credit based Degree which

can be achieved by Full or Part-time study or by Open Learning. Tailor-made In-Company MBA Programmes and the new Diploma in Business are also available. Use the MBA to enhance your career and realise

your full potential in management - contact: The MBA Admissions Secretary, STRATHCLYDE GRADUATE **BUSINESS SCHOOL,** 130 Rottenrow, Glasgow, G4 0GE Scotland.

Telephone: 041-552 7141. A faculty of the University of Strathdyde

EXHIBITIONS

THE LONDON INTERNATIONAL **DIRECT MARKETING FAIR**

21/21/21 1990

 Direct Mail Telemarketing Mailing Lists

 Database Marketing • Door-to-Door Print Lettershop Incentive Gifts

Copywriting

 Envelopes **PHONE NOW ON** 0727 24636 FOR YOUR FREE TICKET WEMBLEY

PERSONAL

AT LAST! CENTRAL LONDON

Your own private MAILBOX + KEY FAX, TELEX, FORWARDING ETC. ONLY \$35 + VAT per QTR.

Tel 584 8648 2 Old Brompton Rd. SW7 Fax 581 4445

No 2712 of 1989 IN THE HIGH COURT OF JUSTICE

LEGAL NOTICES

To Mr Gary ARGEBAND of 45 Maybury court, Marylebono Street, London Wild 7PM a ckbroking account expositive

TAKE NOTICE that a Bankragary Polition has been presented against you in this Court by American Express (Emmys) Limited whose registered office is chanks at P.O. Box 85 Arsex; House, Edward Street, Brighton, East Stance; and the Court has entired that by publication in the London Genetic and in the Pinencial Tinues newspaper of the prisentation of the Bankrupky Pelition in this matter and the time and place from for hearing of the Polition shall be deemed to be good and sufficient service of the seld Pelition upon you on the last day siber completing such

The said Petition will be brand at this Court on the 27th day of April 1880 at 11.00 hours at Floors 728, Third Floor, West Blook, Royal Courts of Justice, Strand, London WCSA 2LL. BEPORTANT If you do not attend the bearing of the Petition, the Court may make a businguisty Order against you in your absence. The Petition can be impossed by you on application at this Court whose offices are at Room 726, Third Floor, West Block, Royal Couted 64 March 1880

LINGHOLT COLOUR LIMITED

MAILBOXES RENTING NOW

ers: 19th February 1990

2305 & 6172 both of Booth White & Co. 6

Releigh House, Admirale Way, We

Loadon E14 95N. **COMPANY NOTICES**

Dividend

At the Ordinary General Meeting of Privatbanken A/S, Denmark, held on 16th March 1990, a dividend of DKK 10 per share of DKK 100 was declared for the financial year 1989. After deduction of 30 per cent dividend tax, the dividend will be credited to the shareholders'



accounts via the Danish Securities Centre. The

CANADIAN PACIFIC LIMITED

D. J. DESSAN VICE-PRESIDENT AND SECRETARY MONTREAL, MARCH 12, 1990

HOMES FOR SALE IN LONDON appear every Saturday in the Weekend FT.

For advertising information please call Lesley Proctor on 01-873 4896 or Carol Haney on 01-873 4935.

Brazilian commodity agencies under sentence of death

PRESIDENT FERNANDO Collor de Mello's has passed sentence of death on two of the central government bureaucracy's most obdurate agencies. But he still faces a tough fight to ensure that the sentences are carried out.

As promised, the Sugar and Alcohol Institute (IAA) and the Brazilian Coffee Institute (IBC), together with a motley group of 21 other agencies, were abolished by decree on March 15. Provisional measure number 151 of the emergency policy stated simply: "The fol-lowing federal pubic adminis-trative entities will be extinguished or dissolved.'

guisned or dissorved.

Issuing the regulations was the easy part, however. They must still be approved by Congress, where they can be entirely rewritten. And unless the measures are approved within 30 days, they will sim-

ply lapse.
If President Collor faces a tough uphill battle to win approval for the bulk of his reform measures, the battle over the IAA and IBC promises to be particularly bitter. Both agencies have successfully resisted closure for the last five years by mobilising powerful special interest groups in Congress. However, a contain the ess. However, a consensus

trade that the two agencies should close, or at least, be substantially trimmed.

Just as unclear and probably far more important is the question of how Brazil's coffee and sugar policies are going to dministered from now on. Mr Renato Ticoulat Filho, a coffee farmer, former IBC official and a leading figure in Brazil's cof-fee politics said: "We do not have the slightest information. We do not know who is going to be in charge of policy. Brazil's coffee policy is important because we are the world's largest producer and our policy establishes policy outlines for the rest of the world."

While farmers have traditionally been the IBC's strongest supporters, they have long accepted that the overblown Institute should be cut down to size. Mr Jorio Dauster, the IBC's former president, halved its staff to less than 2,000. "We told the Government that we would like the IBC to

be replaced by a council directly subordinate to the Government," said Mr Ticoulat. All members of the the coffee trade would be represented on the board, which would establish support prices, manage coffee stocks and oversee export policy.
The IBC's coffee stocks alone COFFER PRICES in London fell sharply yesterday, reflecting the uncertainty surrounding Brazil's future coffee policy following the abolition of the IBC, the country's coffee insitute, writes David Blackwell. On London Fox the May robusta contract closed at £685 a tonne, a fall of £45 on the day, after trading earlier in the day as low as £670 a tonne. The continuing retreat on the New York arabica market early yesterday after a weak close on Friday added to the downward pressure. Brazil's exporters are expected to try to overcome liquidity problems by increasing sales.

are put at \$3bn, equivalent to just under half Brazil's total foreign reserves. Traders expect that responsibility for coffee policy will be divided among a number of existing government agencies. The foreign trade department would handle export policy, Banco do Brasil, the government-owned bank, would manage stocks and general policy would be established by a council. One trader commented, however: "I bet the farmers will do all they

can to revive the IBC. Similar doubts apply to the IAA. The Institute was responsible for planning Brazil's unwieldy sugar and alcohol policies. It is one of several government agencies responsi-ble for the collapse in Brazil's alcohol-based alternative fuel policies. The emergency decrees merely stated that "The president will rule on the transfer of the functions of the

extinct IAA to organs and enti-ties of the federal public

Mr Christopher Rohl, the Rio de Janeiro representative of Sucres et Denrées, the French commodify trading house, said: "The only thing we know is that the IAA is finished. Obviously someone is going to have to take over, but we don't know who." He pointed out that government intervention would still be necessary, despite the Collor Government's commitment to free

The Government controls production of alcohol by estab-lishing prices and production volumes. It oversees the complex subsidy mechanism by which the less efficient fuel reaches service station pumps below the price of petrol, even though it costs more to pro-

The future of the alcohol pol-

icy is of considerable interest to the world sugar market. If the alcohol policy is scaled back, as Mr Ozires Silva, the government minister responsi-ble for energy, would like, the impact on sugar prices would be profound, as surplus cane is meled into the sugar mar-

The Government has not said how free the sugar trade will become. Under the previous government IAA authorisation was needed for every transaction and nobody knows whether that will be maintained, eased or abolished The uncertainty over policy has paralysed the sugar and coffee export markets. While coffee prices in London fell sharply yesterday traders in Brazil reported that the market remained at a standstill. The same applied to sugar

Prices are likely to fall because farmers and traders alike will be forced to sell in order to generate cashflow. The Government has frozen liquid assets in the banking system estimated at over US\$100bn in an effort to wring inflation out of the economy. However, Mr Bruno Angst, a Brazil-based coffee trader, com-mented that "the traders are at

be amended accordingly. It will

necessary to draw up a docu-ment for each employee which

spells out that payments towards the community charge are ex gratia and will not be consolidated into the weekly

to how to deal with employees

who do not live in service houses. At present on this farm we have been in the habit of

paying extra to such workers in consideration of the fact that we do not have to provide

them with accommodation and

to help them with their rent or

mortgage. We have not, how-ever, paid their rates. Such employees would

almost certainly argue that for the community charge they should be treated the same as

those who live in a house on

There is also the question as

squeezel, they need to ship major volumes now and can't afford to wait. But farmers only need to sell whatever they need to meet current expenses. There are more buyers than sellers." Mr Angst reckons that traders have commitments to ship between 500,000 and 1m bags (60 kg each) by the end of the month.

irrespective of the future of the two institute's, Brazil's commodity trade will be pro-foundly affected by the new, freer economic environment. The currency is to be allowed to float while trade restrictions are to be relaxed. The first impact of floating exchange rate could be a revaluation in the Brazilian cruzeiro and that would probably reduce wholesale snuggling of commodities. About \$100m-worth of coffee is believed to have been smug-gled out of the country last year. Some 9,500 tonnes of tin were also sanggled out. Pro-ducers were able to sell their goods at the black market exchange rate, which fluctu-ated at below half the official

Although nobody is quite sure how Brazil's commodity trade is going to operate in the future, there is no doubt that things will never be quite the

I have been at pains to avoid being political in this piece but I cannot help wondering how that portion of the rise which will go direct to the local authorities concerned can be instified. Moreover, most of the

justified. Moreover, most of the

the sewer neither are they in

areas where the streets are lit

or indeed able to benefit from

some of the other services the authorities claim to provide

and for which the full charges

are to be made.

Much has been made of the

failure of the community charge legislation to recognise "ability to pay" although the

rebate system should in theory correct any injustices. Farmers

faced with paying the charges for their workers could also point to the declining trend in their incomes (in real terms they have halved over the last

cottages are not connected to

almost 40 per cent.

Oil prices fall after inconclusive talks

yesterday as the markets responded to the meeting of ministers from the Organisa-tion of Petroleum Exporting Countries that concluded on Saturday evening.
Traders said the meeting offered no clear indication that

current high levels of Opec production, at roughly 23.7m barrels a day would be cut. Oper's official demand projection for the second quarter puts the call on Oper crude at just 20.8m b/d.

Brent crude oil for May

delivery fell by 40 cents a barrel in European trading to close at \$18.22%. At the New York Mercantile Exchange May futures for West Texas Intermediate Crude were off 41 cents at \$19.97 in midday trad-

Oil prices have fallen continuously since early January when they were driven up by a severe cold snap in the US. Since then, however, weather has been unseasonably warm. Neither Kuwait nor the UAE, which are significantly exceed ing their Opec production quo-

OIL PRICES fell sharply tas, gave firm pledges at the meeting that they would cut output. Kuwait has said that it would exceed its production quota in order to prevent oil prices from rising above the Opec minimum reference price of \$18 a barrel for the Opec basket of crudes.

At the meeting in Vienna ministers debated proposals to reformulate the mixture of crudes which make up the barrel. Iraq is understood to want to reweight the barrel to include more heavy, sour, or high-sulphur, crudes of the type produced by itself and Iran. These crudes have recently fallen in price relative to higher quality light, sweet crudes. A reweighting of crudes in the barrel in this manner would amount to a disguised increase in the refer-

ence price. Kuwait has argued consistently against any increase in the oil price which could affect demand growth. However, other Opec members appear increasingly sympathetic to moves which would push up

US and Soviet Union in fresh grain pact talks

By Nancy Dunne in Washington US AND Soviet grain officials,

meeting this week in Vienna, are expected to produce a pact similar to the current long-term grain agreement in time for the next superpower summit in June. Some US farm groups had hoped to expand the agreement to encompass products other

than wheat, maize and soya-beans, but that idea has apparently been abandoned. The principal change is likely to be a more flexible pact, setting a minimum purchase level aggregated over several years. The current agreement calls

tonnes of US grain each year. This breaks down into 4m tonnes of wheat, 4m tonnes or maize and the remaining 1m either wheat, maize, soyabeans or soyameal. The Soviets would like not to have to meet a minimum on years when their own output is above

Because US wheat has been generally priced above world market levels, the Agriculture Department has had to subsidise most of the wheat purchases. A new government report found US subsidies on wheat to the Soviets totaled \$481m over the last 29 months.

The current agreement calls on the Soviets to buy 9m Lead stocks rise at last

By Kenneth Gooding, Mining Correspondent

LEAD CONSUMERS breathed a sign of relief yesterday when the London Metal Exchange revealed that its stocks of the metal rose last week by nearly 28 per cent, or 3,575 tonnes, to 16,475 tonnes.

Consumers had been concerned in case the recent 10-year peak in the cash price and widening premium for cash over three-month metal (backwardation) would not bring

lead to the market. in stocks, the LME cash lead price closed yesterday 13 per cent down at 2697.50 a tonne

19.45 19.84 20.15 20.30 20.33 20.35 20.25 20.20

890/0 600/0 614/0 617/4 616/6 624/4 634/2

581/6 593/2 606/4 610/0 600/8 616/4 627/0

Close Previous High/Lov

20.05 20.33 20.45 20.56 20.55 20.52 20.52

CRUDE Off. (Light) 42,000 US galls \$/berrel

20.16

close, while the backwardation eased from £233.50 to £136.50 a tonue. However, traders said dips in

prices yesterday attracted buy-ers worried that the tightness in supply of physical metal would continue for some time. LME stocks were still relatively low, they pointed out.

The poll tax presents a fresh crop of problems

Treating farm workers equitably will be much more difficult than with the rates system

landed aristocrats who live in stately homes have announced that they intend to pay the poll tax for their workers. They doubtless feel they should set an example to lesser mortals whose employees also live in tied cot-

Many farmers will in fact follow their lead. But it should perhaps be pointed out that a saving of a few tens of thousands of pounds on rates in place of which the titled folk may only have to pay a couple of personal charges of £300 or so apiece does make it easier to be generous to old retainers. Those of us who reside in more modest piles will have little or nothing to give away - indeed we shall almost certainly be stantially worse off.

Across most of Britain's farming areas, and certainly here in my own county of Nor-folk, the custom and practice has been to allow the esti-mated 40 per cent of UK farm employees who live in service free. Where any charge is made it is usually restricted to a nominal rent measured in pence rather than pounds a

Rateable values have of course varied from one cottage



By David Richardson

seen by employees, much less paid by them, few problems of alleged inequity were caused. Most workers accepted the system as proving a valuable tax-free perk.

With the introduction of the community charge on April 1 all that will have to change and farmers all over the country are currently deciding how to deal with the new situation. The Agricultural Wages Board, which last week awarded farm workers a 9 per cent across-the-board increase in pay from June 3, could have made provision for extra wages to help pay the charge. Indeed the T & GWU, which represents farm workers in wage negotiations, urged the Board

But the independent members and the NFU representa-tives on the Board declined, preferring to allow individual employers to make up their own minds. That said, the NFU has since issued advice to farmers recommending that some form of compensation be made to workers to help them pay the new charge.

Various options are put forward: to pay an amount equivalent to previous rates plus an allowance for inflation; to pay the exact amount of the community charge in the locality; or to pay the charge plus an extra 25 per cent to cover current standard income tax (which, unless Mr Major changes it today, will in future be charged on the perk) plus a further 9 per cent to cover the related increase in National Insurance. That third option would come closest to ensuring that individual workers are no worse off under the new sys-

It would not, however, cover the community charge on an employee's wife or on any other dependent relatives over 18 years of age who may also ve in the cottage. The NFU makes no recommendation for such cases and few employers, I suspect, will feel able to contemplate paying

the community charge for a whole family. Indeed it could be argued that to do so would be unfair to single employees the law may change (even perbe unfair to single employees
iving alone.

Another imponderable is the with our workers may have to

at the law may change (even perbat the law may change (even perbat the sex would have expected to pay if rates
that any agreement we reach
had continued. That represents
an increase in expenditure of living alone.

COCOA — Loudon FOX

Close Previous High/Low

extent to which farm workers will qualify for reductions on their community charge. It is suggested that a high propor-tion will be eligible which raises the question as to whether employers should first establish any rebate and then

hatever the weak-nesses of the rating system it was was for the owners of service cottages simple to administer. The community charge presents a minefield of complications and equality of treatment to all employees is virtually impossi-On this farm for instance we

employ people who live in three different parishes which have of course set three different levels of community charge. The variation is relatively small - between £302.46 and £316.79 per person. In calculating the compensation we offer we must therefore decide whether to treat each mployee separately depending on where he lives or to take an average for all the workers on the farm on the grounds that all should be equally treated. In reaching our decision we

If as I suspect we shall, we finally agree to attempt to cover the community charge for each employee (but none of his relatives) plus additional indemnification against income tax and National Insurance the implication for this

the farm. And they would probably be justified in that 10 years) and restrictions being imposed on their activities that limit their ability to respond by increasing output.
A strong case could in act be made that many farmers are unable to pay the new tax for

their workers. But most believe it would be immoral not to do so. And there is no tion in the booklets on reduc-tions in community charges published by the Department

(Prices supplied by Amalgameted Metal Trading)

v AM Official Kerb dose Open Interest

WORLD COMMODITIES PRICES

	Copper, Or	ade A (Z per t	omnė)				Ring	furnover 4	4,225 tonna	Jul Sep	20.35 20.52	20.65 20.65	20.45 20.56	20.30 20.33
	Ceah	1650-2	1068-70	1663/1662	16	81-2	. -			Oct	20.49	20.63	20.55	20.35
	3 months	1620-1	1623-4	1642/1618	16	36-B	1625-7	. 69,	347 lots_	Nov	20.50	20.61	20.52	20.35
_	Leed (£ per	tonne)					Ring	turnover 1	4,850 tonne	Jen_	20.50	20.57	20.50	20.20
ly	Cest	695-700	800-10	800		8-807				HEAT	NG OL 4	2,000 US ga	ulta, centu/l	JS galle
;e	3 months	560-2	571-2	585/550	D/	1-2	588-70		159 lots		Letest	Previous	High/Low	1
	Michael (\$ pe							BUTTOWN	1,668 tonne	Apr	5420	5446	5465	5380
700	Cesh	10200-50	9400-500	10125/101		100-25				May	5275	5290	5300	51 8 0 `
~		9600-25	9100-50	9775/9500	96	60-700	9600-60		i (obs-	Jul Sep	5215 5410	5220 5400	5225 5425	5135 8350
_	Yes (5 per t						HUI	ag attentove	* 885 Iomne	Oct	5485	5480	5486	5435
	Cash 3 months	6950-5 6465-70	6400-10 6530-40	6350 6515/6460	63	50-60 80-90	6470-80			Nov	5665	. 5555	5586	5520
				60 15/04dil		 -			5 lots	Dec	5 886	5830	5965	5590
	Zinc, Speck	d High Grade				<u> </u>	Ring	turnover 1	3,675 tonne	Jen	5685	5660	.5685 	5625
	Cash 3 months	1770-5 1 62 1-3	1730-40 1805-8	1780/1774 1630/1800		75-80 22-4	1615-7			COCO	A,10 tons	es,\$/tonner	·	
	Zinc (\$ per		1000-0	10307 1000					181 lots		Close	Previous	High/Low	,
_	Cash		1680-700	1710		90-710		in animore	475 tonne	May	1030	1054	1040	1025
		1710-20 1700-10	1660-700	1710	18	60-710 60-700		173	lots	Jul	1048	1068	1054	1041
lor er-	LIME Clock									Sep	1060	1080	1067	1056
M-	SPOT: 1.613		3 months: 1.5	#70	8 m	onths: 1.	Sine		othe: 1.5415	Dec	1078	1101	1099	1077
	aron: I.bik	<u>~</u>	S HEADING IN	~	0 10	Gradies 12		9 mg	MIRK 1.0415	Her	1096	1115	1102	1086
ne					-					May	1113	1136	1120.	1120 1140
_										34	1120	1156 .	1140	1144
_	LONDON I	CILLON NA	MORT		Ne	w Y	ork			COFFE		,500lbs; cer		
	Gold (fine c	z) \$ price	E equiv	4ioat				<u> </u>	<u> </u>		Close	Previous	HEgh/Low	
	Close	40212-403	248-4-2		SOLD	100 troy	oz.; \$troy o	72.		Mar	87.00	29.50	88.00	86.75
	Opening	401 2-402	24812-2	49		Close	Previous	High/Lou	, 	May Jul	57.73 89.86	90.40 92.45	90.25 92.00	87.35 89.15
	Morning fly		248.652		Mar	400.7	399.5	0		Seo	91.90	94.15	93.75	91.25
	Afternoon f	X 4021 4021⊾-4031₄	248.45\$		Acr	401.9	400.9	4012	401.6	Dec	93.90	96.16	96.26	93.50
	Day's high	401-4012	•		May	404,7	403.7		0	Mar	97.00	98.50	98.75	96.40
_	rel + mm	0101-2			Jun .	407.4	406.4	408.9	437.2 · ·	May	95,75	101.25	101.00	95.50
16	Coins	\$ price	£ equiv	alent	Aug	412.8	411.8	415.0	413.2	Jul	102.50	103.00	108.76 -	103.00
_	Macleless	41012-41512	254-257		Oct Dec	418.2 423.6	417.2 422.6	419.8 426.2	418.0 422.4	SUGA	R WORLD	"HI" 112,0	00 lbs; cen	
	Britannia	410 2 415 4	254-257		Feb	429.1	422.0 428.1	481.5	480.8		Close	Previous	High/Low	
	US Engle	410 2-416 2	254-257		Apr	434.2	433.3	0	0 .	May	15.87		15.07	15.78
_	Angel	411 2-4162		27 P	-					'ya	15.75	16.13 15.89	15.85	15.66
	Krugerrand	402-405 94 ¹ 2-46 ¹ 2	248 ¹ 2 58 ¹ 2-80	ಳಾಗಿನ						Oct	15.29	15.64	15.35	15.13
_	New Sav. Clid Sov.	943-963	58 ¹ 2-80		PLATE	WUM 50 t	roy oz; \$/tro	yy		Mer	14.28	14.34	14,31	14.11
int	Nobia Pist	809.63-517.6			•	Close	Previous.	High/Los	, 	May	-14.11	14.13	14.12	14.04
_					Mar	489,3	499.3	0	0	Jul	14.00	14.08	14.00	13.95
_	Silver Ex	bullue dz	US eta	equiv	Apr	502.1	502.1	505.0	501.0	COTT	OCO,000 NC	cente/bs		· - ·
	Spat	316.90	512.50	•	Jul Oct	<i>508.3</i> 514.1	508.3 - 513.8	811.5 518.7	508.0 514.5		Close	Presidente	High/Eour	
	3 months	329.00 341.30	\$23.65 584.76		Jan	520.5	520.2	0	0	May	71.61	71.70 .	71.65	71.26
	6 months 12 months	361.20	558.7S		Арг	527.1	625.9	ā	·ŏ ··	Jed	71.95	71.95	72.00	71.70
	2 1100									Oct	67.24	67.10	67.29	67.00
_	TRADED OF	TIONS			<u> </u>				<u> </u>	Dec	65.78	85.67	65.90	65.60
			alis	Pute	SILVE	R 5,000 tr	ny az; cent	NEGY OZ.		Mar	66.59	86.60	88.26	66.50
	Alumbian					Close	Previous.	High/Los		May Jul	66.90 67.08	65.96 67.11	186.9数 67.00	66.94 .67.00
	Strike price	\$ tonne May	July May	July	Mer	510.1	509.5	512.5	508.5			15.000 lbs:		
_	1500	120	134 14	32	Apr	511.3	\$10.6		0 .	-				<u> </u>
	.1600	55	76 48	72	May	515.2	514.5 .	518.0	514.0		Close	Previous	High/Low	
	1700	20	39 110	181	ألاق	623.5	572,8	\$27.0	522.5	14.	194,10	192.40	195.00	192.60
	Copper (Gr	ade A) C	alis	Puts	Sep	532.8	581.4	835.G 546.G	532.0 544.0	May	183.25	19270	194.50	192.30
					Dec	544.4	543.5				444 45	·	**************************************	400 oz

MARKET REPORT

demands were seldom even

CASH NICKEL soared through first time since the middle of last November in the wake of news that an explosion had closed Falconbridge's Sudbury plant in Ontario. However, the company said the plant would reopen soon. Three-month metal eased, leaving the premium for cash metal at \$612.50 a tonne. Earlier in the day prices were lifted by European consumer and merchant buying after a 924-tonne decline in LME low of 3.942 tonnes. Some analysts said a retracement seems likely after the recovery from a 24-year low of \$5,800 in mid-January. LME

London Markets

SPOT MARKETS Crude ell (per barrel FOB)

Brent Blend W.T.L. (1 pm est)	\$18.21-8.24y \$19.97-8.99y	
Oil products (NWE prompt delivery per t	onne CIF)	+ 01-
Premium Gasoline	\$219-214	-2
Ges Of	\$159-161	-1_
Heavy Fuel Oil	\$82-84 \$169-171	+1 -4
Naphtha Patroleum Argus Estimates		<u>-</u>
Other		+ or -
Gold (per tray az)	\$402.75	+225
Silver (per tray 02)4	513c \$503.50	-0.85
Platinum (per troy oz) Pajladium (per troy oz)	\$131.50	-0.25
		-10
Aluminium (free market) Copper (US Producer)	\$1845 1324c	+2
Lead (US Producer)	56.50	T-6
Nickel (free marked)	466c	+20
Tin (Kusis Lumpur market)		-0.10
Tin (New York)	294c	-4
Zine (US Prime Western)	78 ¹ 2¢	+4
Caztle (live weight)?	117.80p	+0.72
Sheep (dead weight)?	224,88p	-5.61
Pigs (live weight)†	98.10p	+1.26*
London daily sugar (raw)	5384.0w	-2.4
London daily sugar (white)	\$454.0w	+0.5
Tate and Lyle export price	£354.5	
Barley (English 1980)	£111.5	+5
Malze (US No. 3 yellow)	£128.50	0.25
Wheet (US Dark Northern)	£133t	
Rubber (Apr)♥	56,50p	+0.75
Dubber (May)	57,250	+0.75
Rubber (ICL, RSS No 1 Apr)	226.5m	_
Coconut oil (Philippines)5	\$375w	
Paim Oil (Melaysian)s	\$296z	+5
Copra (Philippines)	\$255y	
Southeans (US)	£169	
Cotton "A" Index	79,65c	
Manager (SA) Suppl	678a	

age fatstock prices. * change week ago. **W**London physical market SCIF Rotterdam. 🛖 Sullion market close. m-Ma-

most traders tending to take profits on any rise. But there remains a general reluctance to sell short in view of supply tightness on Comex which is expected to become even more acute in the short term. London cocoa prices retreated. "The market got a shock at New York's low opening but industrial buying set in when we went below £700 and that pulled the price up a little in the afternoon," one trader said. New York orange juice was sharply higher by midsession on shortcovering as March came up

copper prices were easier, with

to expiry. Compiled from Reuter

	<u> اجمل</u>	ou POX	(S per tonne
Rew	Close	Previous	High/Low
May	353.00	350.50	365.20 347.60
Aug	353,00	357.40	356.20 349.00
Oct	341.00	345.00	343.00 338.00
Dec.	333.60	334.40	231.00
Mar	313.60	314.40	314.60 311.00
May	\$11.00	312.40	312.80 308.80
	Close	Previous	High/Low
May	451.5	461.0	461.0 449.0
Aug	448.0	448.5	450.0 446.0 421.0 416.0
Oct	418.5 401.5	419.5 403.5	406.5 401.0
Dec Mar	396.5	508.D	398.1 398.5
May	396.0	397.5	395.5 394.0
Aug	395.0		395.5
White 1 Parts	1712 (1225 White (Fi	r per tons	ots of 50 tonnes. le): May 2565, Aug lar 2305, May 2306
CHUDI	ROIL - I	PE	\$/barre
	Late	et Previo	us High/Low
May	18.2	4 18.55	16.40 18.15
Jun	18.2 18.4	4 18.55 1 18.65	18.40 18.15 18.45 18.32
الله الله	18.2 18.4 18.4	4 18.65 1 18.65 7	16.40 18.15
ISE (UQ YAL) YAL)	18.2 18.4 18.4 18.5	4 18.65 1 18.65 7 2 18.68	18.40 18.15 18.45 18.32
Jun Jul IPE (nd Turnov	18.2 18.4 18.4 lex 18.6 er: 8368 (4 18.66 1 18.65 2 18.68	18.40 18.15 18.45 18.32 18.47 18.40
Jun Jul IPE (nd Turnov	18.2 18.4 18.4 18.5 18.5 18.6 18.6 18.6 18.6 18.6 18.6 18.6 18.6	4 18.65 1 18.65 2 18.68 5347)	18.40 18.15 18.45 18.32 16.47 18.40
Jun Jul IPE (nd Turnov	18.2 18.4 18.4 18.5 4r: 8368 (4L - Pril Letest	1 18.65 1 18.65 2 18.66 347)	16.40 18.15 18.45 18.32 16.47 18.40 \$hores
Jun Jul IPE Ind Turnov QAS O	18.2 18.4 19.4 18.6 9r: 8368 (4L — 1972 Letout 157.75	1 18.65 1 18.65 2 18.66 5347) Previous	16.40 18.15 18.45 18.32 18.47 18.40 \$/tonse High/Low 158.25 185.25
Juni Juli IPE Ind Turnov GAS O Apr May	18.2 18.4 18.4 18.6 18.6 18.6 18.6 18.6 18.6 157.75 163.75	18.65 1 18.65 2 18.65 3347) Previous 159.75 156.90	16.40 18.15 18.45 18.32 16.47 18.40 \$*hores 158.25 185.25 154.26 151.00
Juni Juli IPE Ind Turnov QAS O Apr May Jun	18.2 18.4 18.4 18.5 18.5 18.5 18.5 18.5 157.75 163.75 163.00	18.55 1 18.65 2 18.66 5347) Previous 159.00 154.50	16.40 18.15 18.45 18.32 16.47 18.40 \$70000 High/Low 158.25 165.25 184.25 161.00
Jun Jul IPE Ind Turnov QAS O Apr May Jun Jul	18.2 18.4 18.4 18.6 4r: 8368 (4L — 1992 Letest 157.75 163.06 154.50	18.65 18.65 18.65 18.65 2 18.65 2 18.65 2 18.65 18.75 158.90 184.50 158.90	16.40 18.15 18.45 18.32 16.47 18.40 \$/10000 188.25 185.25 184.25 161.60 183.25 161.50 164.00 151.75
Juni Juli IPE Ind Turnov QAS O Apr Apr May Juni Juli Aug	18.2- 18.4- 18.4- 18.5- 18.5- 18.5- 18.5- 18.6- 18.7-5- 163.75- 163.00- 157.00- 157.00-	18.55 1 18.65 7 18.65 7 18.65 S247) Previous 159.75 156.90 154.50 157.75	16.40 18.15 18.45 18.32 16.47 18.40 \$home High/Low 158.25 165.25 184.26 151.50 163.25 151.50 164.00 161.75
Jun Jul IPE (nd Turmov AAS O Apr May Jun Jul Aug Sep	18.2 18.4 18.4 18.5 9r: 8368 (157.75 163.75 163.75 163.00 154.50 157.00	18.65 18.65 18.65 18.65 2 18.65 2 18.65 2 18.65 18.75 158.90 184.50 158.90	16.40 18.15 18.45 18.32 16.47 18.40 \$\$\text{18.40}\$ \$\$\text{18.40}\$ \$\$\text{18.25 185.25}\$ 184.25 185.25 184.25 185.90 164.00 181.75 185.00 184.00 185.50 185.90
Jun Jul IPE Ind IPE IN	18.2 18.4 19.4 19.4 18.5 4r. 8368 (4L - 1992 157.75 163.75 163.75 164.50 154.50 157.60 158.50 167.60	18.65 1 18.65 2 18.65 2 18.65 2 18.05 2 18.00 159.75 159.90 157.75 159.50	16.40 18.15 18.45 18.32 16.47 18.40 \$10000 158.25 156.25 184.25 151.00 183.25 161.50 164.00 151.75 185.00 154.00 189.30 185.30 169.50 167.75
Jun Jul IPE Ind IPE IN	18.2 18.4 18.4 18.5 9r: 8368 (157.75 163.75 163.75 163.00 154.50 157.00	18.55 1 18.65 7 18.65 7 18.65 S247) Previous 159.75 156.90 154.50 157.75	16.40 18.15 18.45 18.32 16.47 18.40 \$\$\text{18.40}\$ \$\$\text{18.40}\$ \$\$\text{18.25 185.25}\$ 184.25 185.25 184.25 185.90 164.00 181.75 185.00 184.00 185.50 185.90
Jun Jul PE Ind Turnov QAS O Apr May Jun Jul Aug Sop Oct Nov Dec	18.2 18.4 18.4 18.4 18.5 18.7 18.7 18.7 18.7 18.0 15.7 18.0 15.7 18.0 15.7 18.0 15.7 18.0 15.7 18.0 15.7 18.0 15.7 18.0 15.7 18.0 18.7 18.7 18.7 18.7 18.7 18.7 18.7 18.7	1 18.65 1 18.65 2 18.65 2 18.65 2 18.65 2 18.00 158.75 158.90 158.90 158.90 158.90 158.90 163.25 168.00	16.40 18.15 18.45 18.32 16.47 18.40 \$70000 \$70000 \$70000 158.25 185.25 154.25 185.90 164.00 151.75 158.50 158.90 168.05 158.90 168.05 168.75

dearer rates. Bright liquoring east Africans met good compedition with prices advancing by 5-15p per kito. Coloury mediums also proved a strong feature and only the plaine cessify rates. Caytons were well supported with the brightest test often substantially dearer, in the offshore suction florer was good demand at fully firm to dearer rates. Quotations: quality 220p (same), medium 140p (135p), low medium 100p (same). Turnover: 7603 (2727) lots of 10 termes ICCC Indicator prices (SDRs per terme). Dall price for Mar 28 827-83 (857.41) 10 day awareg for Mar 21 858.00 (859.99) Previous High/Low 675 685 654 672 684 695 715 719 730 702 709 721 734 747 690 665 702 670 675 660 685 683 698 675 707 690 721 707 turnover: 6594 (4731) loss of 5 tonnes ICO (ndicator prices (US cents per pound) to Mar 16: Comp. dally 74.80 (77.50). 15 day aver-age 76.21 (75.80) 152.0 184.0 99.0 115.0 136.8 190.5 192.8 99.0 171.0 138.5 Turnover 629 (284) lots of 40 tonnes. 124.50 123.50 124.50 122.00 124.60 123.00 124.50 122.00 127.50 125.50 127.50 125.00 1590 1580 1358 1460 1467 1594 111.00 111.25 118.10 119.60 116.15 115.55 113.10 116.00

108.30 109.30 113.00 109.30 113.00 103,85 106,46 103,35 106,86 104.50 107.25 103.40 107,15 107.00 Turnover: Wheat 132 (67), Barley 82 (10). PIQS — SITE (Cash Settlement) p/log Close 719,0 118,6 118,0 118,8 114,3 115,3

Turnov= 22 (49) lots of 3,250 kg

May Jun May Jun

542.5 547.2 555.6 553.9 572.4 658.0 0 0 0 0 HIGH GRADE COPPER 25,000 lbs; our Close 129.85 123.65 119.75 116.65 113.80 111.55 109.30 107.90 106.60 106.30 128.40 122.00 118.10 129.60 123.50 Mar Apr Jun Jun Aug Sep Oct Nov Dec 119.10 116.10 113.20 111.05 102.60 107.20 105.90 104.50 120.90 114.80 0 109.80 0

112.50

pents/lbs us High/Low 88.00 90.25 92.00 86.75 93.75 95.25 98.75 101.00 108.75 96.40 95.60 103.00 us High/Low 15.97 16.86 15.35 14.31 14.12 14.00 se High/Eow 71.65 72.00 67.29 65.90 65.95 65.95 67.00 71.26 71.70 67.00 66.60 66.50 60.84 67.00 be; cente/ibe s High/Low 195.00 194.50 192.40 187.00 179.70 174.00 174.00 0 192,50 192,30 190,25 185,65 179,00 172,50 173,00 174,00 0 .Mar 16 Mar 15 mnth ago yr ago DOM: JOMES (Basic: Dec. ST 1974 = 100) Mer 14 Mar 13 minth ago yr ago

22.63 22.76 22.80 22.65 22.37 22.20 22.05 21.90 22.30 22.41 22.43 22.30 21.95 21.90 21.80 22.53 22.63 22.66 22.45 22.20 SOYABEAN MEAL 100 tons; \$/ton Previous High/Lov 251/0 257/0 261/6 258/4 258/6 263/6 251/0 257/4 262/0 259/6 259/0 284/0 247/6 253/4 257/6 256/0 254/4 260/2 WHEAT 5,000 bu min; cents/60!b-bushel Previous High/Low 398/4 358/0 343/0 349/4 362/2 369/2 LIVE CATTLE 40,000 lbs; cents/lbs Close Previous High/Low 78.15 78.10 72.62 74.32 74.65 74.82 77,47 72,32 72,20 79,80 74,20 74,35 LIVE HOGE 30,000 ib; cents/ibs 53.72 57.27 56.36 63.87 48.37 48.90 48.12 53.42 57.02 56.15 58.67 54.30 57.80 56.55 64.15 48.50 48.96 48.15 63.29 56.77 55.82 53.50 48.15 48.45 PORK BELLIES 40,000 fbs; cents/ib

Close Previous High/Low 82.85 80.20 85.85 87.85 87.85

FINANCIAL TIMES TUESDAY MARCH 20 1990 LONDON STOCK EXCHANGE

fall after to Budget Day

poor start in the London equity market yesterday with share prices giving back virtually all of Friday's gains as global uncertainties resurfaced fol-lowing a weekend of signifi-cant developments or account uncertainties resurned to significant developments on several fronts. The heavy overnight setback in Tokyo, the outcome of the East German elections and a fall in sterling all served to unsettle the UK stock martiage. Share prices, relatively resilient at first, crumture of the control of the UK stock martiage.

TVESDAY MARCE

act talks

icaç:

ME . W.

(144) こ

	Accou	at Dooling	Dates
The M	Dealloge er 12 -	Mer 25	Apr 9
	Decision or 22	flores Apr 6	Apr 28
	er 23	Apr 6	Apr 27
	et Dey: or 2	. Apr 17	Mey 8
West 200	Same deal	lings story light mineral direkt	place from

Trading volume was light as institutional investors and marketmakers backed away from a week studded with domestic uncertainties ranging from today's Budget Speech to an important parliamentary

The final reading on the FT-SE Index showed a fall of 26.9 points to 2,238 exactly. Seed volume at only 320.3m shares, compared with 485.5m on Friday, indicated only too clearly the unwillingness of major investors to take signifi-cant decisions shead of Mr.

John Major's Budget Speech in Parliament this afternoon. While there is no feeling of eptimism in the equity market ahead of the Budget, UK secu-rities firms showed no signs of alarm yesterday. With the Budget "unlikely to provide posi-tive signals for equities", share markets could well come under

the outlook for world interest some pressure after the speech, according to Mr Richard Jeffrey at Hoare Govett. But any fall towards 2,150 FT-SE "should be exploited as a buy-ing opportunity."
At Nomura Research Institute, Chris Dillow believes that Mr Major's main aim will be

"to reverse sterling's recent decline," but he doubts that the Budget will be able to prevent consumer spending remaining obstinately high. Some reason for optimism is found, however, at BZW where the strategy team believes that the stock market may be underestimating the speed with which the UK Govern-ment may take steps to ease its

For most of yesterday's session, share prices drifted down-wards without suffering undue pressure. Attention was focused on a handful of special situation stocks. Confirmation that Tate & Lyle, the UK sugar group, has been discussing with Berisford International the possibility of making a bid did neither share price any

good. Shares in Guinness were firmer although LVMH, the French luxury products manufacturer, would make no comment on suggestions that it is poised to double its current 12 per cent stake in the UK drinks concern.

his forecast for 1990/1991 from

\$100m to \$110m. Profit taking weakened BTR

which on Friday launched a \$1.64bn takeover for Massachu-setts-based Norton, a manufac-

turer of abrasives, advanced

ceramics and performance plastics. The shares eased 3 to 434p on turnover of 2.1m

IMI closed 2 down at 227p as

the company reported full year figures no better than market

predictions. Profits improved by 15.9 per cent to £125.3m, although a chairman's cau-

tious statement accompanied

Following the release of the figures UBS Phillips & Drew

BRITISH FUNDS

the results.

FINANCIAL TIMES STOCK INDICES 89.29 76.68 127.A 49.18 (8/2/89) (13/3/90) (9/1/30) (3/1/78) Government Secs 77.12 77.60 77.02 77.18 78.68 87.98 99,59 85,47 105,4 50,53 (15/3/89) (15/3/90) (28/11/47) (3/1/75) 2008.8 1447.8 2008.6 49.4 (5/8/88) (3/1/88) (5/8/89) (26/8/40) 378.6 154.7 734.7 43.5 (0/2/90) (17/2/00) (16/2/63) (28/10/71) **Qold Mines** 292.8 285.6 283.5 281.2 283.3 FT-SE 100 Shere 2463.7 1762.8 2463.7 966.9 (3/1/90) (3/1/69) (3/1/90) (23/7/64) 2234.9 2225.1 Basis 100 Govt, Seos 18/16/28, Flord Int. 16/28, Ordinary 1/7/26, Gold mines 12/9/56, Basis 100 FT-SE 100 31/12/63, 4 Mil 10.16 Ord. Div. Yleid Earning YIG %(Nail) P/E Ratio(Na()(\$) 11,51 10,50 11,69 25,144 24,252 24,265 24,448 29,118 830.12 675.22 718.63 681.27 1053.38 26,350 26,650 24,855 26,284 33,769 418.8 331.2 317.5 300.1 409.7 SEAQ Bargains(Spm) Equity Turnover(Em)† Equity Bargains† Shares Traded (mi)† GILT EDGED ACTIVITY Indices Mar 10 Mar 13 Gilk Edged Bargeins 76.7 79.9 5-Day everage 85.1 86.1 27,243 Ordinary Share Index, Hourly changes Day's High 1789.4 Day's Low 1757.5 "SE Activity 1974, 1@usheding tetra-market business & Oversess turnover. Calculation of the FT indices of daily Equity Bargains and Equity Value and of the five-day averages of Equity Bargains and Equity Value, was dis-configured on July 31. Closing values for July 38 available on request. Open 10 a.m. 11 a.m. 12 p.m. 1 p.m. 2 p.m. 1764.1 1776.1 3 p.m. 4 p.m. 1763.7 1758.8 Day's High 2261,1 Day's Low 2235.9 FT-8E, Hourty changes . Open 2260.8 2263.0 2265.5 2267.5 1 p.m. 2245.8 2245.5 2242.7 2237.1

Sugar companies talking

Confirmation that Tate & Lyle was holding talks with Berisford International, which could lead to its making a recommended offer, sent both share prices lower. Analysts doubted whether Tate could overcome expected UK regulatory hurdles. Tate closed 9 down and Posteford

down at 282p and Berisford ended 11 weaker at 134p. "The market was disappointed at the identity of the mystery bidder for Berisford, said Mr Marcus Darville of County NatWest. Another analyst said: "There seem to be a lot of barriers in Tate's way and the market has taken the news sceptically." Berisford shares have been boosted by over 30 per cent since the announcement on March 9 that it was in talks with an

umamed company.

Mr Darville pointed to Tate's high level of gearing in the context of any bid, and there was also concern that a bid could be referred to the Monopolies and Mergers Commission. Berisford's exposure to the New York property market added to the messe

dded to the unease. But Mr David Lang of Henderson Crosthwaite said that a Tate bid might not be blocked by the MMC. The concerns about monopolisation may be not be as great as is currently thought. The sugar market is European and a merger between Tate and Berisford would have to be set in that

context." M & S on late alert Marks & Spencer livened up an otherwise dull stores sector otherwise dull stores sector at 5%, to 316p.

late yesterday. The company amounced a press conference to be held this morning, and to be held this morning and to be held this morning and the reason of the reason son behind its Budget Day tim-

> Some fixed upon North America as the possible subject of a downbeat announcement. A spokesman for the compa ny's Canadian operations sald he knew of no planned changes there. The chances of top level ent moves were low, added observers, because the company had revealed several board changes, including a new managing director, in Jan-

The shares shed 3 at one stage and closed 2½ off at 193p. Turnover at 1.9m was unexceptional for the stock but com-

paratively busy on such a quiet day.
The water stocks were in full retreat, unsettled by the recent spate of bad publicity over the

		. '	•
dumpin	g of ray	sewage	into
		he shares	
also up	et by po	litical wo	uries,
		recent cir	
		on Brothe	
		ed that	
		are value	
		per cent,	
THILLY-VAL	men nasi	s, since F	CUTIL-
ALY ZU, C	sumbanes	with a n	napot
The bro	r mon r	the und	HACL
		largely	
caneed 1	he nolitic	al fears i	n the
wake o	of the	Jovernm	ent's
		r the pol	
		alaise of	

mortgage rates, uncertainty over the forthcoming Mid-Staffs by-election and also by higher bond yields in the wake of weaker sterling. In another note on the sector Hoare Govett said over the next few years cash flow would

"increasingly become the prin-cipal indicator of assessing the performance of each water company." House recommends that clients increase their hold-ings in Yorkshire Water and Anglian "in order to reduce the risk of capital expenditure overruns," and, on grounds of capital expenditure risk, switch out of South West into Wessex. The broker adds that worsex. The truer state that the true yields would be the principal determinant of share prices over the next few months. South West were the worst

performing shares in the sec-tor, dipping 11 to 158p while Southern lost 8 to 140p and Yorkshire to 169p. The Pack-age retreated £80 to £1543. Courtaulds Textiles, now about monopolisation may be not be as great as is currently thought. The sugar market is European and a merger between Tate and Berisford would have to be set in that context."

Courtaulds Textiles, now demerged from Courtaulds, began trading at the top eand of the range predicted. The shares were firm all day, closing at 254p. Declars reported the stock to be easily the heaviest traded in the textiles sector. Courtaulds itself, now listed under industrials, registered on Seag screens as having lost 69p. But when the Marks & Spencer livened up an demerger was taken into

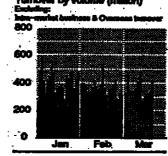
demerger was taken into account this decline came out slide after a good performance in New York at the end of the previous session. Most of the relatively good volume for the stock, of 1.1m shares, was accounted for by two 500,000

share trades. share trades.

A combination of weak crude oil prices and the ever-present worry that KT's 25 per cent stake in Enterprise Oil could be unloaded on the market at any time continued to

FT-A All-Share Index 1200 1150

Equity Shares Traded Turnover by volume (million)



depress the oil and gas sector. Crude oil prices dropped some 50 cents a barrel following the Opec meeting held in Vienna over the weekend. Spe-cialists said that the Opec squabbling, the shadow cast by the Enterprise stake and the broad market retreat should

broad market retreat should keep oil prices under pressure.

Enterprise shares laboured under the ever-present influence of the long-rumoured plancing, closing 6 off at 606p.

LASMO were the same amount off at 618p, despite inore recommendations for the shares; the Kitcat & Aitken oil team, long-time bulls of LASMO, said switch out of Enterprise into LASMO. "We see significantly better potential for growth in LASMO over the next six to nine months," said Kitcat, while Mr David Steadman at Dalwa Securities and he, was about to lesue a strong buy note on the stock.

BP dipped 5½ to 334½p, on the stock that long lines of stock in the continued that long lines of stock in the label of a stake in the continued that long lines of stock in the label of a stake in the continued that long lines of stock in the label of a stake in the continued that long lines of stock in the label of a stake in the continued that long lines of stock in the label of a stake in the continued that long lines of stock in the label of a stake in the continued that long lines of stock in the label of a stake in the continued that long lines of stock in the label of a stake in the continued that long lines of stock in the label of a stake in the continued that long lines of stock in the label of a stake in the continued that long lines of stock in the label of a stake in the continued that lab turnover of 4.8m shares, after confirming the cost-cutting at the group. Shell retreated 7 to

Calor dropped 9 to 296p after Nomura Research labelled the stock a "sell"; the prospective multiple of over 14 times earnings looks too high, a premium rating looks unwarranted and the dividend cover is now less than 1.2 times prospective earnings, according to our esti-mates." Nomura added "for an equivalent yield but twice the level of cover, a rising payout ratio and half the p/e rating,

British Gas remains a more attractive UK gas investment. British Gas shares were 4% off

212½p.

Royal Bank of Scotland retained the slimmest of gains, closing at 180p on thin turnover of 559,000 shares. Dealers were sceptical of stories that some sort of merger deal would be revealed this morning when Standard Chartered unveils its preliminary results. One trader said; "There was one keen buyer of Royal Bank. I don't believe the rumours." Stan-dard Chartered lost 10 to 543p.

Insurance stocks were broadly lower but marketmak-ers emphasised the lack of activity with not one of the big composite insurers able to boast turnover of above 474,000 shares. BZW remained bearish of the sector, saying: "Dividend increases of 20 per cent from many of the FISE industrial stocks reporting make the composites' increases seem pality by comparison. This will not help the seem of the conelp the sector's relative per-

formance. Guinness received an early boost on renewed press cover-age that likelihood that the French luxury goods group, LVMH, might raise its 12 per cent stake in the company. Guinness owns 24 per cent of LVMH and both companies have expressed their desire to make the cross-holding sym-

that long lines of stock in the company were on offer. The shares closed 10 down at 827p,

An improvement in full-year figures helped Hickson Inter-national hold steady, the shares closing only a penny lower at 193p. Profits increased from £26.8m the previous year to £87.1m in 1989.

to 237.1m in 1969.

W Canning weakened, losing 6 to 214p, although 1989 profits rose 27.5 per cent to £9.0m and the chairman expected "good performance" this year with "excellent opportunities for future growth."

Turriff Construction performed well closing 5 ahead at

formed well, closing 5 ahead at 281p, after the group announced preliminary figures described by dealers as "excel-lent". But Rugby's full-year numbers, with pre-tax profits up from £72.7m to £89.8m, failed to inspire and the shares drifted back 7 to 158p.

TRADING VOLUME IN MAJOR STOCKS Aquascutum continued to advance on hopes that the restricted voting "A" shares might be enfranchised. The "A" shares rese another 8 to 134p, making an advance since the middle of last week of 36p. Trade in AMI Healthcare, was brisk as Generale de Sante, a subsidiary of Cie Generale des Eaux (CGE), the French group which recently took an agreed 65 per cent holding, picked up another 27 per cent in the market, taking its total holding to around 32 per cent. By the market close, some 30m shares had been traded at the CGE offer price of 372p. AMI shares ended unchanged at 570p. Aguascutum continued to | Volume Casting Day's | Volume Casting Day's | Volume Costing Day's mchanged at 370p. Beazer gave up last week's gains that followed the release of good interim results and closed 3 down at 150p. Mr Mark Stockdale at BZW said dubious results, a very weak housing market, excessive gearing and reducing interest cover make the shares "unattractive." He predicted profits for the current year of £100m, but raised his forcest for 1900/1901 forces.

upgraded 1990 profit expecta-tions to £135m (£132m). Mr David Jacobi said "strong demand for fluid power and demand in the drinks dispensing business will more than offset flat markets in the UK." Broking house Albert E Sharp, however, moved in the opposite direction cutting its original 1990 forecast from £137m to £138m, "to reflect cau-tion in the UK". But Mr Tim Bennett at Sharp still believes the shares to be "a quality core holding that will increasingly

be appreciated." British Asrospace remained a dull market, the shares giv-ing up 11 to 490p on adverse

press comment.
Profit-taking weakened
Rolls-Royce, the shares ending
3 easier at 183p; some 4m
shares had changed hands by

the close of the market. Hawker Siddeley held op rel-atively well ahead of the preliminary results, due next week, and closed only 2 easier at 644p. The market expects the company to unvail

restructuring plans with the release of the figures. British Airways's good traf-fic figures last week combined with the current return to fashion of airline stocks on Wall Street to hold the shares relatively steady against the over-all market decline, BA held on to recent strong gains with a fall of just 1½ to 207½p. Annual profits of £9.17m from Evens Halshaw fell short

of both the previous year's fig-ure and analyst's expectations. After recent downgradings, researchers were looking for the company to produce

between £10m and £10.5m and the shares ended down 12 at

Isopad leapt 64 to 152p after news that the company's founding families have sold some 2.17m shares, including a block of 650,000, or 5.97 per cent, to Mr Brian McGowan, who

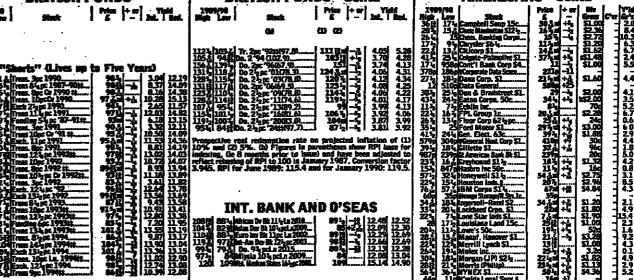
becomes chairman. A 10 per cent fall in full-year profits to £14.6m from Tyne Tees was less than analysts had expected and the shares bucked the market trend with a rise of 6 to 290p. Other TV issues declined with the market and Radio stocks continued to retreat on fears of a down-turn in advertising revenue.

■ Other Market statistics, including the FT-Actuaries share index, Page 26

AMERICANS -- Contd

NEW HIGHS AND LOWS FOR 1989/90

cel int., Powell Duffryn. Robo, Opical & Introduction And American Acts of the American Amer



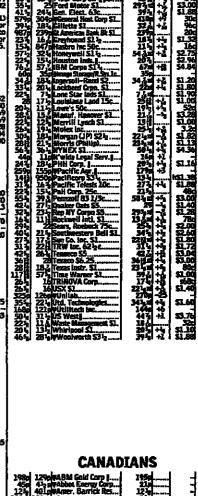
CORPORATION LOANS Five to Fifteen Years

COMMONWEALTH & AFRICAN LOANS

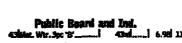
LONDON SHARE SERVICE

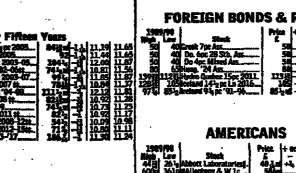
| BRITISH FUNDS—Contd |

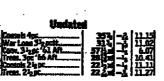
LOANS



] 2.B







Conversion 10sc 2002

14 ls Frees 94, pc 2002

15 pc 2002

15 pc 2003

15 pc 2003

15 pc 2003

16 pc 2003

16 pc 2003

16 pc 2003

17 pc 2003

17 pc 2003

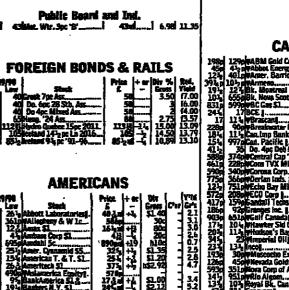
18 pc 2003

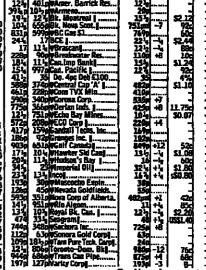
19 pc 2003

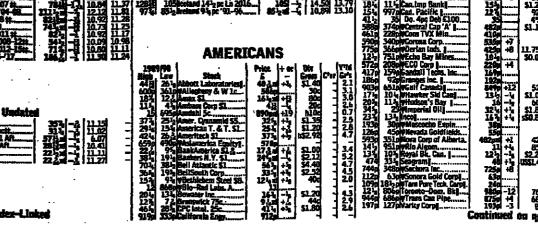
10 pc 2003

10 pc 2003

10 pc 2004







director.

APPOINTMENTS

Managing director of Sony (U.K.)

Mr Nobu Watanabe, managing director and chief executive of Sony (U.K.), is to return to SONY CORPORATION head office in Tokyo as head of the international consumer sales group. He becomes a non-executive director of Sony (U.K.). From April 1 Mr Hadyn Abbott becomes group managing director UK sales. For the time being he continues as managing director of Sony Broadcast and Communication Products Co U.K., and Sony Magnetic Products U.K., both divisions of Sony U.K.

SECURITY PACIFIC HOARE GOVETT, investment banking arm of Security Pacific Corporation in Europe, has appointed Mr William Hulion as managing director of Hoare Govett Corporate Finance, He was managing director and head of Prudential-Bache Securities corporate finance activities.

重 Mr David J. Camp has been appointed property development director at

STANHOPE PROPERTIES. MERRILL LYNCH CAPITAL MARKETS has appointed Mr Martin E. Loat as managing director in the swaps/

derivative product group handling specialised equity derivatives, based in London. He was with Bankers Trust as managing director-public equity group. Joining from nkers Trust with him are Mr Richard Dunn and Mr Karl



Mr Peter Mackworth Gee (above) has been appointed managing director of PERIQUITO HOTELS. He is a founder shareholder of this new UK hotel chain formed with funding arranged by Electra Kingsway. Mr Gee was vice president of development for Holiday Iuns International - Europe, Middle East, and

■ Mr F.H. Aldous has been appointed chairman of SWAN NATIONAL, part of the TSB Group. He retains his post as chief executive of the group, which includes Swan National Rentals, Swan National Leasing and Swan National

Mr Akhtar Dalal has joined AEI/PANDAIR in the new post of personnel director. He joins from London Weekend

■ THE INVESTMENT PORTFOLIO SERVICES GROUP has promoted Mr Paul Tarran from financial controller to financial director. ■ Mr Michael J. Harris has

been appointed a director of ILLINGWORTH, MORRIS. FKB GROUP has appointed Mr Jonathan Hagger as group finance director. He was group finance director at Bain

■ BAIN CLARKSON, part of the Inchcape Group, has appointed Mr Mark D. Absalom as an executive director of the marine division.

He joins from Leslie & Godwin. ■ Mr Richard Sowter has been appointed managing director of DERWENT UPHOLSTERY. He was finance director. Mr **Duncan Gordon, previously** sales director, becomes export director and managing director of Christie-Tyler International.

■ WEMEX WATTS, a company formed to expand trade between East Germany and the UK, is to be jointly headed by Mr Keith M. Herring as managing director, and Mr Guntram Haefner as director

and general manager. This is a joint venture between WMW Import/Export, an East German trading organisation, and William Watts, Nottingham, which has marketed East German machine tools for 38 years. ■ Mr Michael Buckley, Wilton

Group chairman, has replaced Mr Jonathan Samuelson as chairman of COWAN DE GROOT, an industrial holding company, following Wilton's purchase of a 29.3 per cent stake. Mr Samuelson will main an executive director of Cowan and will be responsible for corporate

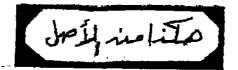


THE MOORGATE GROUP has appointed Mr Peter Smith (above), Prolific Life and Pension marketing director, to its main board in the new post of business development

	LONDON SHAKE SERVICE	Share Code Booklet ring the FT Cityline help desk on U1-625-2122
BEERS, WINES & SPICITS BEIRS, WINES & SPICITS BUILDING, TIMBER, ROADS ELECTRICALS - Combo	INDUSTRIALS (MISCE) — Control of the property	
374 209 Termat 50p	200 1311 roles (Lord	227 227 Yorkshire Edital Spri 143 - 5 14.0 2.4 13133 327 227 Yorkshire TV

AVESDAY MADCH

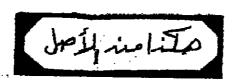
. .

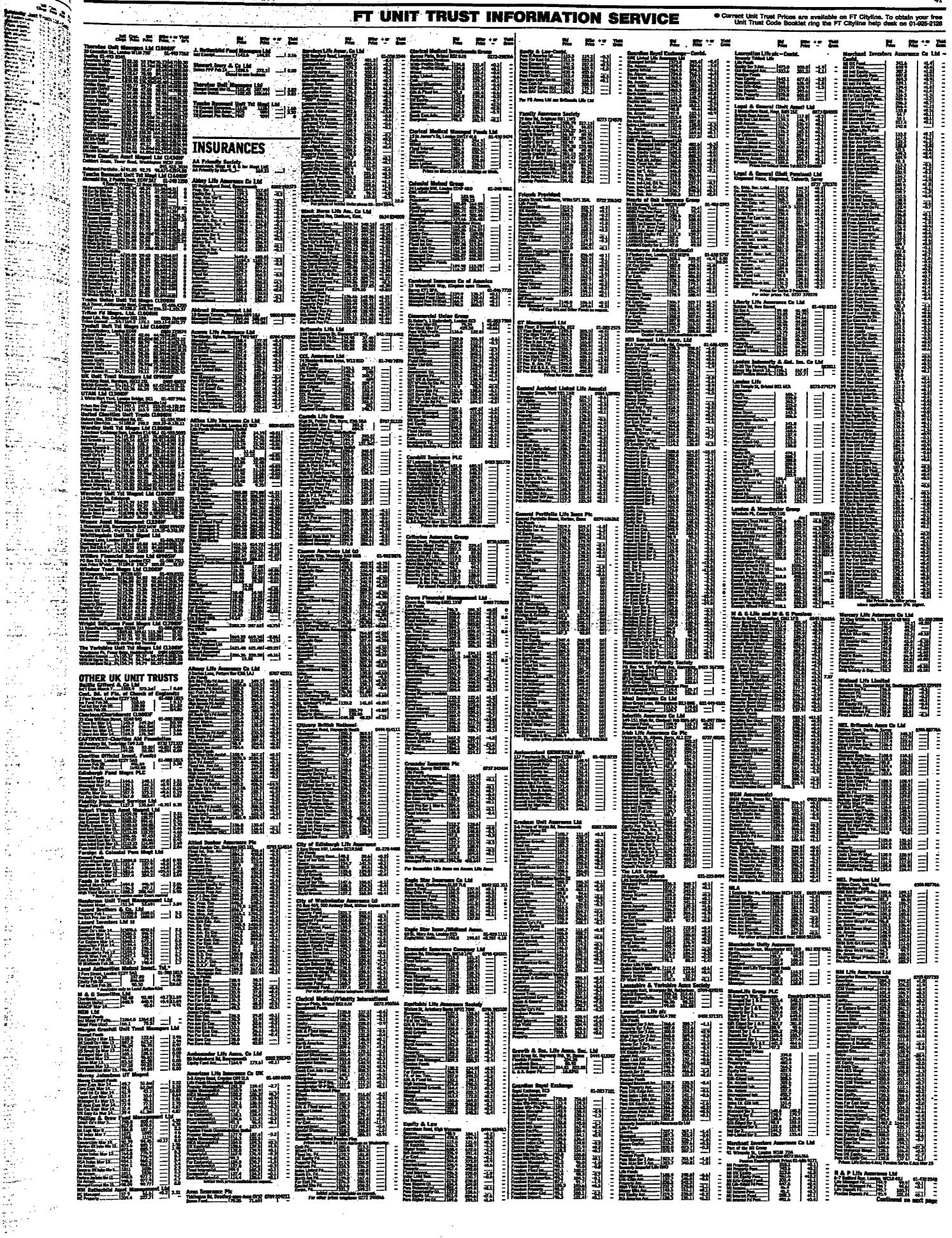


TRIALS (MISCEL)	FINANCIAL TIMES TUESDAY MA	ARCH 20 1990	LONDON	SHARE SERVICE	E	Latest Share Prices are avail Share Code Rooklet ring to	39 able on FT Cityline. To obtain your free he FT Cityline help deak on 01-825-2125
	MOTORS,AIRCRAFT TRADES	PROPERTY - Contd		· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	GAS-Contd	MINES—Contd
Property of the second of the	1989-996 1980 198	201 Julests & Sound 150 150 150 160 20 412 27 226 170 250 160 20 17 27 27 27 27 27 27 27 27 27 27 27 27 27	Towelment Trucks	AND TRUSTS, FINANCE, L. 1984; Charles of the Charle	10 4.34 1.7 3.4 30 19 term by the 6/20. 20 10 term by	198-1 Bratis 4.9 0 166	Stack Price - 27 27 27 27 27 27 27
Same and a second of the secon	*305 201ERF (Hidgs) 28d 15.0 3.7 9.6 3.7 9.6 15.6 2 8.5 4 7.5 3 6 7.5	170 7067 5.8. Prop. 10, 0 113 -> 13.0 5.3 5.8 1.8 5.9 5.8 5.2 5.7 5.8 1.8 1.9 2.9 1.0 1.9 2.9 1.0 1.9 2.9 1.0 1.9 2.9 1.0 1.9 2.9 1.0 1.9 2.9 1.0 1.9 2.9 1.0 1.2 2.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1	93 71/Accro int. Tst	95.0	77.4 1.011.0 16.3 Selfamor (19) 16.3 Selfamor (19) 16.4 Selfamor (19) 16.4 Selfamor (19) 16.4 Selfamor (19) 16.4 Selfamor (19) 16.5 Selfamor (19)	5.77 - 48 (015)% 65.1 6 - 27.7 13 10 2 12 14 120 20 212 14 120 20 207 - 6 (018.2 2.2 3.9 11.5 685	December
The first control of the control of	7174 74kmi-FitHite 10pp 81 74 28 40 121 75 509 Laza lots 61 75 500 29 5.4 7.2 12 12 12 12 14 12 1.4 12	92 650s. Supe to PP 12. 65 -5 54. 10.8 10.8 10.8 10.8 10.8 10.8 10.8 10.	584 Sight tips Sea 10p. y 51 -9 25 1700 Warrant y 146 -3 177 1196mper in 155 -4 60 491ST Empt Ada10p. y 52 -2	902 303 20 2m 2m 1 1 1 2m 2 2 2 2 2 2 2 2 2 2 2 2	115 15 12 25 1427/rinn Europe 50. 110 15 15 12 25 1427/rinn Europe 50. 110 143 28 0.4 925 75 110 110 100 100 100 100 100 100 100 10		THIRD MARKET
intervent in the second	151 44 Dovie (7) 59 6 6 7 6 6 7 6 6 7 6 6	221 88 Do. Sp. Com. Pref. 7 95 -1 6.0 8.8 8.4 3 300 220 Do. Sp. Com. Pref. 7 253 45 6.5229 3.4 4 197 1134 Land & Mitspies Do. 9 114 4 62 3.1 7.1 6.0 107 739.0 3.5 Colle Crit 7 3 -1 8.2 15.1 6.0 107 739.0 3.5 Colle Crit 7 3 -1 8.2 15.1 6.0 107 739.0 3.5 Colle Crit 7 3 -1 8.3 1.0 1.6 4.8 15.5 105 62 Marchaeth 6 48 -4 17.0 1.6 4.8 15.5 105 62 Marchaeth 6 48 -4 17.0 1.6 4.8 15.5 127 98 128 Michael March 19 9 128 -5 15.3 1.6 5.5 12.7 128 128 Michael March 19 9 128 -5 15.3 1.6 5.5 12.7 129 23 Michael March 19 9 128 -5 15.3 1.6 5.5 12.7 128 1.6 Michael March 19 9 128 -5 13.3 4.0 17.4 1.7 129 129 129 129 129 129 129 129 129 129	911. 65(20)sex & East low 50c y 812. 477. 29 Do. Warrants y 33. 50. 39(City & Cost inc y 48s 1506 10022 Do. Cap (611 y 1350 -201 564. 49(2) Do. Zero Div Pf 55 y 33-5. 564. 49(2) Do. Zero Div Pf 55 y 33-5. 564. 49(2) Do. Zero Div Pf 55 y 33-5. 565. 49(2) Do. Zero Div Pf 55 y 33-5. 567. 49(2) Do. Zero Div Pf 55 y 33-5. 568. 48(2) Do. Zero Div Pf 55 y 33-5. 569. 49(2) Do. Zero Div Pf 55 y 33-5. 570. 49(2) Do. Zero Div Pf 55 y	106 6 72 to 10 to	#33 1 1 9.2 77 4280estical 10s	119 +3 160 13 90 5.9 92 44 90 54 33 46 96 114 413 12 4 9212 25 12	SASB Barriett 20 y 45 42 42 42 42 42 42 42 42 42 42 42 42 42
panel Signature of the Control of th	128 197801455 Group 10p., vi 124	5.1 985410; 985410; 981. 3 . 5 . 5 . 1 . 6 . 136 . 9 . 1 . 7 . 2 . 1 . 1 . 1 . 1 . 1 . 1 . 1 . 1 . 1	100. 8712/9050state Int. 500. 9 361 234(boxt, verticer 15t. 10b y 257na 234(5 125 bo. 150 Warrants. y 125 -5 250 135 0o. 120 Warrants. y 126 -5 136 95Costi Assets Ts. 75a. y 137 -1 137 34 Do. Warrants. y 137 -1 136 150 boxts (inc.) 9 47 30 Do. (Cap) 2b. y 46 -2 168 1550 boxts (inc.) 9 168 1550 boxts (inc.) 165 -5 1712 37 Do. Warrants. y 164 -2 172 135 Do. Warrants. y 165 -5 1712 37 Do. Warrants. y 165 -5 1712 37 Do. Warrants. y 165 -5 1712 37 Do. Warrants. y 1712 360 -1 172 37 Do. Warrants. y 1712 361 -1 173 37 26 Do. Warrants T2-51 y 361 -1 174 175 Do. Warrants T2-51 y 361 -1 175 25 25 Do. Warrants T2-51 y 361 -1 175 25 25 Do. Warrants T2-51 y 361 -1 175 37 25 25 Do. Warrants T2-51 y 361 -1 175 37 25 25 Do. Warrants T2-51 y 361 -1 175 37 25 25 Do. Warrants T2-51 y 361 -1 175 37 25 25 Do. Warrants T2-51 y 361 -1 175 37 25 25 Do. Warrants T2-51 y 361 -1 175 37 25 25 Do. Warrants T2-51 y 361 -1 175 37 25 25 Do. Warrants T2-51 y 361 -1 175 37 25 25 Do. Warrants T2-51 y 361 -1 175 37 25 25 Do. Warrants T2-51 y 361 -1 175 37 25 25 Do. Warrants T2-51 y 361 -1 175 37 25 Do. Warrants	943 318for invest. Inc. — y 388, 4600 10 8.9 765 565 0c. Ce. — y 665 70 Ce. — y 6	-6 10.2 1.0 2.7 High Lev 1 Steck -1 10.2 1.0 2.7 Publication 1 10.2 1.0 2.7	FATIONS Price 1 mm Company 12 mm 12	200. Writes 15 pt 25 Ref. 100. V 55 sst 75 Ref. 100. V 55 Ref. 100. V 56 Ref. 100. V
Add to the second of the secon	**221 1758PP Hide 10pv 288	224 330 Power Carp. 1/10 v 122 - 3 g0713 1.77 3.7 23.2 23.5 153 Price Infrares 10a. w 224 - 72 3.3 22.2 1.5 7.1 1.3 50 Price 10b. w 224 - 72 3.3 22.2 1.5 7.1 1.3 50 Price 10b. w 50 - 2 6.5 7.2 - 7.2 1.3 50 Price 10b. w 50 - 2 6.5 7.2 2.2 3.3 7.1 1.3 50 Price 10b. w 50 - 2 6.5 7.2 2.2 3.3 7.1 1.3 1.3 3.0 30.7 4.0 1.3 1.3 1.3 3.0 30.7 4.0 1.3 1.3 1.3 1.3 3.0 30.7 4.0 1.3 1.3 1.3 1.3 1.3 1.3 1.3 1.3 1.3 1.3	74 54 pa. Writts 2005. y 74 - 4 237,135 Edinburgh law	105 1050c, Cap. 11 1991 1991 1991 1991 1991 1991 1991	0.4 0.4 0.9 9110 73 anglo-East Plants. 1225 1.012.6 85 65 Bertam 1.0p. 77 30 Con. Plants MSD. 25 0 10 12 12 12 12 12 12 12 12 12 12 12 12 12	12 - 2 000	Tk eils Milas. 1/5p. v 2 39 +1
Committee of the commit	237 167 thanest Course, Cop. of 167 414.4 1.010.304.00 143 113 Selecta Selection 109 u 115 6.0 9.70 0 143 113 Selecta Selection 109 u 172 7.0 0 150 213 Selecta Sele	45 2751 Mothers 10a \$ 38 -1 1.4 42 5.2 4.9 177 13050ct, Morroy .0b \$ 152	300 153E-ropen Asset 0F1 256 53 36E-ropen Polet LT, lbpy 42 30 17De, Warrests. v 21 41 56 36E-roper Dual in v 39 -1 1111 96De, in: 100e. v 295	130 97 00 70c for Red Pri. 130 1	7% 19.6	442 47 511 2 511 2 39 30 448 49 0130 246 7.0 34 11 50 256 430 040d 4 3.9 115 2 256 430 040d 4 3.9 115 2	### ### ### ### ### ### ### ### ### ##
1	116 539e.75e.0 Co.MeV. 33 -2 7.5 -1329 1035 650010 mone of corp. 155 155 24.56 1.7 4.0 19.6 225 16.57 miny in Nit 10p. 122 14 16.0 1.0 4.4 9.8 520 3400 td. Respapers. 2 340 -1 20.5 1.8 8.0 9.1 PAPER, PRINTING, ADVERTISING	226 125 Schadose Progt. 8 26 125 Schladose Progt. 8 26 125 Schladose Progt. 8 25 125 Schladose Progt. 8 27 7-15 Tem 20p. 9 28 7-15 Tem 20p. 9 29 7-15 Tem 20p. 9 212 72 Tem 20p. 9 22 72 Tem 20p. 9 22 72 Tem 20p. 9 23 129 Trestare 20p. 9 24 2-2 129 129 129 129 129 129 129 129 129 12	175 122First Tokyo (nd50g) 223 -6 206 99Freigeling Japan k. y 179 -1 168 1145 Fenning American. k. 126 -4 167 1145 Fenning American. k. 126 -4 178 -115 Fenning Enterprise. k. 273	## 33 3/12mress Inst 10-y 37 10-3 37 10-3 37 10-3 37 10-3 37 10-3 37 10-3 37 10-3 37 10-3 37 10-3 37 37 37 37 37 37 37	72 32Bcackes 90. 105c 16.1 5.6 7.1 11.8 123.2 49E-six Dagas EL. 10.5 1.6 7.1 11.8 123.2 49E-six Dagas EL. 10.7 9.0 0.6 23.2 100 31E-six	576 +6 040d 1318.4 461 2 579 +1 0120c 0.9 7.8 461 2 519 +1 0415c 2.7 5.2 32-1 1 262 +1 0415c 1.7015 1044 44 168 0.25c 4 7.8 511 0300 14 6.7	HOTES
INSURANCES	46 29 a 17 Courte 5 p. v 23 - 2 7.2 d 3.8 d 95 37 3 blests from 10 p. v 79 - 2 1.0 4.6 1.7 14.4 d 1.2 2 blests from 10 p. v 79 - 2 1.0 4.6 1.7 14.4 d 1.2 2 blests from 10 p. v 79 - 2 1.0 4.6 1.7 14.4 d 1.2 2 blests from 2 p. p. d 22 d 1.4 1 1 8.5 1 1.3 2 5.5 1 2 blests from 2 p. p. v 79 - 2 1.6 5 4.3 2.1 13.3 2 5.3 12 blests from 5 p. v 73 d 1.7 2 7.7 3 6.5 11.8 6 8 8 18 Resources 5 p. v 73 d 2.7 6.4 7.4 2 4.4 blests from 10 p. v 10 5 2 5 7.1 6.9 12 1.0 2 5 7.1 6.9	99 SSDD. Tage C Min	256 2017 Jenning Fiedgeling 113 94 Personing High Inc Inc. 27 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0.75 1.1 0.4 100 100 100 100 100 0.50 y 150 42 157 63 7 959 12 18 Goldehouse Io y 25 40 12 13 155 127 18 India Higgs 255 1 100 7 18 India Higgs 255 1 100 7 18 India Higgs 255 1 100 7 18 India Higgs 255 1 100 100 100 India Higgs 255 1 100 100 India Higgs 255 1 100 India Higgs 255 Indi	115.0 25 4.0 13.6 13.5 13.5 13.5 13.5 13.5 13.5 13.5 13.5	780 442 01254 3.0 4.3 1 Interior 110 46 10404 1.9 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	hange dealing classifications are indicated to the right rames: or Alpha, B Seta, y Gamma, erwise indicated, prices and set dividends are in pence introdess are 259. Estimated price/surnings ratios and based on latest assessifierours and accounts and, where re-updated on half-parely figures. P/Es are calculated listribution basis, estrology per share being computed on or 'azeation and surneleved ACT where applicable, rigures indicate 10 per cont. Covers are based on a "i" distribution; this compares gross dividend costs to re-tracation, eschoding exceptional profita/losses bis situated extent of offsetable ACT. Yields are based on crs, are gross, adjusted to ACT of 25 per cent and allow for declared distribution and rights. Scock: Scock: sc
Section 1 and 1 an	113 ### ### ### ### ### ### ### ### ###	220 1809 Tr George 320 110.0 2.5 4.2 8.8 154 113 5.5 4.5 113 5.5 4.5 113 5.5 1.5 113 5.5 1.5 113 5.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	124 79 Sartmore Engines 111 12 124 126 126 126 127 1	103	774, 94 8.7 510 1488 eatrix Minest 105, 400 F.S. Coes. Gold 50c 12.9 2.1 4.0 15.6 250 107 Free State Dec. 10c.	546443 - 038000 128 6.9 52544 134 + 3 6400 1111-8 e USM; 136 + 5 65500 2.7 4.7 13 Not of 77 1 030.3d 1.0 9.5 7 Price indicate 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	est dividend; cover on earnings applated by latest a statement
	221 143 Forp Pict 10p. 9 145 -2 3.45 3.45 3.65 3.65 3.65 3.65 3.65 3.65 3.65 3.6	\$10 377 Starfow Rand 10c. 91 255 cole Pist, P. 23-c. 92 60 1730 K Bazzass 50c. 273 110 Pist Social Socia	297 1696 - entour 1. 30 - v 131 1144, De. Stesped Cap Pri. v 172 1300 2405 mentrise ter. v 230 2405 mentrise ter. v 230 2506. Wernstis. v 26 162 735 entour 160 160 160 160 160 160 160 160 160 160	1.0 4.1 0.8 283 205 Majedie lues 100 8 254 17.0 10.4 12.0 11.0 4 12.0 17 Majedoe fil Pty Lr. 1819 17.0 4.0 11.0 17.0 460 Majedoe fil Pty Lr. 1819 17.0 460 Majedoe fil Pty Lr. 1819 17.0 17.0 17.0 17.0 17.0 17.0 17.0 17.0	225 85,lost 01, J Gold Ic. 308 72 Juraine 71. 976 15452 Helean 71. 15.0 1.1 4.1 28.2 624 1764 hisel.	222 +36 0305c 410 5 2 Cover	allions for conversion of shares not now reading for onto or ranking only for restricted dividend, does not allion for shares which may also rank for did at a future date. No P/E usesily provided, says Francs. Fr. French Francs 18. Vield based on I treasury Bill Rate stays unchanged antil maturity of annualised dividend. b. Flyures based on prospectus or estimate. c Cents. d Dividend rate paid or payable on yield. The provident of the control of the co
	93 790spray Comos	936 20fAttch Hidgs, 20p. v 34 3 5 5 6 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	126-b; 122-b; 10.0 Prof.	200 1538 hathouse first. 5p.v. 144	15.5 2.9 4.4 10.7 15.1 655km. Plat. 10c	African 12 - 3	und yield exclude a special payment. I indicated over relates to previous dividend, PFE ratio based on sal earnings. a Forecast, or extinuated assemblies of a control passed on greenous year's armings. v Subject. t. x Olvidend cover in excess of 100 times. y Dividend acre and said on merger terms. 2 Dividend and yield include a meet. Cover does not apply to special payment. A field vield. B Preference dividend passed or deferred, C E Milnimum tender price. F Dividend and yield based as or other official extinuates for 1988-89. G Assumed at yield after pending scrip and/or rights fease. If yield after pending scrip and/or rights fease. If yield after pending scrip and/or rights fease. If yield based on prospectus or other official estimates K Dividend and yield based on prospectus or other official estimates for 1990. I Estudated annualised dividend, //E based on latest annual earnings. If Dividend and yield based on prospectus or other official estimates for 1980. If yield based on prospectus or other official estimates of 1987. Q Gross. R Forecast annualised dividend, or 1987. Q Gross. R Forecast annualised dividend, or 1987. Q Gross. R Forecast annualised dividend, we set side of the order of the order of the set of the order of th
LEISE E	**257** 45 *Perkinsy 50	112 51 Stagger (Long) 100 y S2m 3.0 1.5 7.7 11.5 121 73 His cling Pentscart, y 99 2.0 3.8 3.0 9.4 191 55 191 191 191 191 191 191 191 191	35 1d Do Warrants	218 10 42 91 11-interest interest 2 14.4 13 28 144 106/westpool far v 6.5 11 47 40 29/veshrate in 5.2 v 6.5 11 47 40 29/veshrate in 5.2 v 6.5 12 14.5 12 16.5 12	22.16 1.2 77.26.2 111 61.8 Curl Res. 27.2 2.2 11.3 3.6 21.7 12.0 2.3 11.8 2 42.7 17.9 0. Warrants. 27.2 2.3 6.7 7.5 2.3 6.7 7.	1121 +5 10300 2 22 6.0 for 1989-9 10 lividend and 1220 2 6.0 for 1989-9 10 lividend and 1220 2 6.0 for 1989-9 10 lividend and 1220 2 6.1 for 1989-	The coster on classes annual samings, in Divinese and on prospectus or other official estimates for 1988. If all yield based on prospectus or other official estimates to . P. Figures based on prospectus or other official estimates or . 1987. Q. Gross. R. Forecast annualised dividend, we based on prospectus or other official estimates. To med. W. Pro forma figures. Z. Dividend total to date, next all ext dividend; so ex sorilo issue; w ex rights; m expital distribution. IONAL & IRISH STOCKS long is a selection of Regional and Irish stocks, the latter being quoted in Irish correspy.
	24(Tinstey Rober 50 v 25) 21 1.411.2 6.6 413 2873(stey Walker 10p. v 214 5.2 8.9 2.5 129 106(eV) Ecosp 24.p § 14 5.2 8.9 2.5 129 106(eV) Ecosp 24.p § 14 5.3 3.7 3.5 10.4 128 427(eV) Ecosp 10p. 8 654 6 24.2 49.3 6.2 41.22 12.5 497(eV) Ecosp 10p. 8 654 6 24.2 49.3 6.2 41.22 12.1 100(be 8.25) Ct Fri 10p. v 1056 8.25 -10.5 -1 121 121 121 121 121 121 121 121 121	483 314 oray 750 314-22 0125 1.5 0.8 -183 146 Victoria Carpet 3.9 5.2 126-2 04.25 6.6 3.9 5.2 231 120 02 170 170 170 170 170 170 170 170 170 170	577-) 557-) Do. Ent Zero Lu 94. v 564-)	#9.0	117.33 2.31 7.8(4.9) 114.98 2.4 6.71 7.0 114.98 2.4 6.77 7.0 115.71 2.6 6.4 6.4 115.71 2.4 6.7 6.9 115.71 2.4 6.7 6.9 115.71 2.4 6.7 6.9 115.71 2.4 6.7 6.9 115.71 2.4 6.7 6.9	52814-14 0560c 3.4 6.5 Final Proj. 5 343-6 0140c 1.5 9.3 Holt (100 25 25	1 220 410 57 1345 436
et de la companya de	PROPERTY 15d 90 Allied London 10p.9 180 -2 3.3 2.8 4.4 9.7 130 90 0a 54.ac Ow Red Prof. y 91.3 55.74 1.9 6.1 1.5 92 60 64 64 64 65, 55p y 61.3d 25.0 3.0 8.9 4.1	949 447 847 inds	273 15@minoray Smilt Markets y 249 -1 270 157 Do. B y 245 -1 340 276 Minoray Ventures. y 222 -1 111 38 Mev Hrvs. hr (1785 y 121 62 Do. Cap y 36 -5 83 -45 Do. New Worts y 56 75 57 Mev Prontiers Ber libry 117 65 Mew Zealand Inv y 117 65 Mew Zealand Inv y 117 65 Mew Zealand Inv y 118 1 117 65 Mew Zealand Inv y 119 119 119 119 119 119 119 119 119 1	25.4 1.7 2.6 25.5 1.35 interview Pet 10p. y 22 41 20.2 6 5.9 1885 105 interview Pet 10p. y 22 41 20.2 6 5.9 1885 105 interview Pet 10p. y 22 42 27 28 interview Pet 10p. y 22 42 22 22 22 22 23 22 22 22 22 22 22 22 22	24.0 1.4 4.4 21.2 90 7/9 Bond Corpo. 50c 19.0 2.3 5.6 10.1 150 31/9 Bond Corpo. 50c	5 + 2 2	39 STC
	110 76Bartost 10p	### 1725/103 Fast Friedrick 16 (2) - 1117 - 12 19 19 19 19 19 19 19 19 19 19 19 19 19	267 1780/cersas in Tsi 223 -2 147 430.0 Warruts 119 +1 304.1 130/cersas in Tsi 24 -3 222 55 b. Warruts 14 -3 22 15 p. Warruts 15 -1 22 17(b. Warruts 15 16 -4 26 17(b. Warruts 16 16 -4 27 45)-28 p. Warruts 17 -2 17(b. Warruts 16 16 -4 111 62/artus Peneryllin 4 111 62/artus Peneryllin 4 111 62/artus Peneryllin 4	37.2 2.0 1.6 500 880 0.83-pct.s.91-84-y 588	12.0 2.1 4.2 02.9 40 25 Wear Boar 20c 25 25 25 25 25 25 25 25 25 25 25 25 25	24 07c 1.2 8.7 Eardays Blue Circle 4 44 14.6 Boots 58 th Circle 59 14.6 Boots British Steel 8 th Arrospic British Steel. 8 1.0 Bett, Telecom Cadaurys Cadaurys Cadaurys Cadaurys Cadaurys Cadaurys Comm Union.	9 Welcone
	105 9400 554 pt Pref vi 565 - 1.5.757 - 7.1	30 65 Jacobs (J. 1/20p. y 69 43 0.6 8.7 0 184 1191 p 6 roup 20 Fig. y 155 475 2.2 4.1 13.4 123 661 mid o'Sets Fris. y 121 0.6 8.1 0.7 18.7 121 123 67 124 123 123 123 123 123 123 123 123 123 123		17.0 12 95 STL 231 Exma	127 19 34 (Vision Midrig 200	Gen Accident 5	21 Montaleign 14 90 18 56 Oils 15 Ariva Petim 51 53 Brit Petroleum 28 18 Burnah Oil 52
	19 19 19 19 19 19 19 19	731 5199 & 0 Deld 511	28 -1 116 900 4 Mer in 12rn- v 116 900 4 Mer in 12rn- v 107 4500. Can 12/2 p- v 40 120a Warrants 12/2 v 1054 92 50 0. Sespeci Pri 12/2 p- v 110 87 River Plate in v 76 430a Cap - v 23 90a Warrants - v 47 47 42/2 p0 2 zero in Pri - v 1354 12/3 k Robert (Br 7 Pi)0. v 1554 22/3 Robert (Br 7 Pi)0. v 1554 12/3 Robert (Br 7 Pi)0. v 1564 12/3 Robert (Br 7 Pi)0. v 1574 12/3 Robe	7.3 1.010.7 22 13 GallistramRes 14 14 14 15 16 16 17 17 18 18 18 18 18 18	0,100 0.3 143 64 Paragon Resources RL 54 20 Paragon Rins. 5p. 143 65 Paragon Rins. 5p. 173 99 Paragon Rins. 5p. 174 99 Paragon Rins. 5p. 175 99 0.7 24.0 125 0.14 2.9 35.5 11.55 0.14 2.9 35.5 11.55 0.14 2.9 35.5 11.61 1.75 99 0.7 24.0 11.75 99 0.7	10 10 10 10 10 10 10 10	22 00 00 00 00 00 00 00 00 00 00 00 00 0
	259 14500ercen	1201 2307 Bote & British 19. y 223 196.0 2.4 2.2 12.6 13.9 13.9 13.0 19.0 19.0 19.0 19.0 19.0 19.0 19.0 19	25 183 St. Andrew Ts	6.25 1.1 3.8	52.60 - 4.0 - 84 4/Maintyn fing, 10c 1207 etallag SM1 - 150 905 suppl Bet SM1 - 150 suppl Bet SM1 -	62 052 4.0 1.5 144 0180: -25.2 225 1	anemin for each security.
						ę.	-

						THE STATE OF THE S	and Cont. and State of Table
CINII I I I I I I I I I I I I I I I I I	Imputes Growth	Int. Cass. 344 Offer + or Visid Carpe Frice Price Price - 3672 Offer + or Visid Carpe Frice Price Price - 3672 Offer - 367	Tribute Faire 1	N. Capital Silay 15, 10 254, 2 264, 2 264, 3 4, 45 former filtry former	Indigitativitys. Luncius SW7 [183 31.045] 312.04 Pd. Inna Cop	Box 500, Therape Wood, Peterborough Pc3 6GD For Later 9000 62657 Pc Peterborough Pc3 6GD for Later 9000 62657 Pc3 6GD for Later 9000 62657 Pc3 6GD for Later 9000 62657 Pc3 6GD for Later 9000 for Later	Comp. Nam. Price Price - Gr. stor Unit Treats List - Contal. services - 54 (751 4751 50.00)
Appricate Industria	for Portfolio	h Del:	enfriers Unit Tst Mages Ltd (0905)F 6M Park Law, Loudew W/V 347 6M Park Law, Loudew W/V 347 6M Control of the State Control of the Stat	gelig Accam 5. 571.4 574.0 \$10.64 5.061.9; 9 9 9 9 9 9 17 18.7 34 9 4.75 6 1 1 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5		Senderube Administration LES (L/OUT) -19 Senderube Administration LES (L/OUT) -19 Senderube Access - 5184, 46 87.01 92.301	**FOF**
UK Growth Acc	CIBC Unit Tst Managers ate CL2060H Cottoe Cir. Ottors Lae. Lat. SEL 201. 01 234 6000 Growth Fri Acc 37 12.4 12.4 12.3 120.6 142304.36 11.55 16.4 18.4 12.4 12.4 12.5 12.6 14.2 14.3		M. G. & Inf. Jun S1577, 1730, 71, 194, 194 2, 25 4 4 4 195, 194, 194 2, 25 4 194, 194, 21	Jayob SR Unit 7st Mars Ltd (1890)F 1891 Sex 63, Charleson, Kent ME4 47B 20 Basiling 0634 (2011)S 20 Basiling 0634 (20	n Umiss	Hillings & Brew Unit Managers Lod (14007) Finisher Square, London EP2A PPD 17, A28,6070 General Mar A. 1, 98.7, 198.7, 198.8, 24 Finisher Hall Mar A. 1, 98.7, 198.8, 26 Finisher Mar A. 1, 198.7, 198.8, 198.8, 26 Finisher Mar A. 1, 198.8,	Seriir Dan W 5 25, 22 27 16 28, 36 9 C 71 9 C 05 10 6 10 10 10 10 10 10 10 10 10 10 10 10 10
Extra lacores 5 4, 41.31, 41.314 44.107 4.224 5.34 Fast favor from 5 4, 61.97 6.42 1.46 6.99 (41.31), 0.1 Fast favor from 5 125.1, 129 9, 139.7, 4.161, 1.57 De Accord 5 127.7, 201.8, 21.7, 4.161, 1.57 Get & Flacil let 5 4, 127.5, 17.7 201.8, 12.1, 2.40, 57.2, 1.54 leaner & Grandt 5 4, 127.5, 17.7 201.8, 12.2, 40.5, 12.3, 14.1 leaner & Grandt 5 4, 127.5, 17.7 201.8, 12.2, 40.5, 12.3, 14.1 leaner & Grandt 5 4, 127.5, 17.7 201.8, 12.4, 12.4, 13.4,	IR Neuron 61100.4 102.0 108.6 (4.115.7) SF Franch Managers Limited (1040). SF Franch Managers Limited (1040). Fig. 125 high Helden, Landon WC1V 6-FV 01.2-2211.40 SF Atherica 15.04.5 45.45.14.27.1-211.65 SF Neurolania 15.04.5 45.45.14.41.42.6.5 SF Neurolania 15.04.6 46.86.87 SF Neurolania 15.04.6 46.86.87 SF Neurolania 15.04.6 46.86.87 SF Neurolania 15.04.6 46.86.87 SF Neurolania 15.04.67 SF Neurolani	Iss S., Agreston J. Backs, 1972, 1981, 1959, 53, 1989 and 1982 and	M.A. Mismarki	o Octomal	o United 6 1675 1773 1777 0 71 0 6 16 16 16 16 16 16 16 16 16 16 16 16 1	129,7 29,7 27,8 1,0 0,1	an Acc
Do Access	Cunson Famil Manager Ltm (U700)41 1 Dysage Wig, Wenker, 1447 0415 10902 8876. Growth	The last he \$571.77 71.62478.59 428 1009 64 1000 64 10	estann Unit Tst Mages (1.000)# lesstered P., Southaupter SOP 187 (ARS 21.200) P. Southaupter Southaupt	## (Accompt)	Table Tabl	College Coll	Vertices 3, use services and 4 of 4 o
Hamager Incomer p. 3, 52, 42, 51, 50, 53, 54, 61, 18, 60 Childra M. Rowy inc. 1, 46, 11, 47, 46, 53, 19, 44, 11, 122 Childra M. Rowy inc. 1, 46, 11, 47, 46, 53, 19, 44, 11, 122 Childra M. Rowr inc. 5, 47, 19, 49, 41, 52, 51, 14, 45, 132 Childra M. Rowr inc. 6, 52, 43, 52, 43, 57, 53, 44, 11, 12, 14, 15, 10, 10, 10, 10, 10, 10, 10, 10, 10, 10	Admin 3 Reprings Trans., Increase, 12000-1200-1200-1200-1200-1200-1200-120	pean Furth	that Belt Inc V. 34, 48,50, 47,764 50, 36,423 5, 12 From Emilty V. 3, 1410, 1433, 131, 0-684,009 And Emorary V. 3, 150, 6, 1957, 1661, 4351, 19 From Girly V. 3, 3, 48,564,86,68,6,98,77,77,77,77,77,77,77,77,77,77,77,77,77	6. 6 Separtities (09715)##	/ Marthat	Section Sect	See 1
Achas House, 2-125 Statemille Random, II 995 Achas House, 2-125 Statemille Random, II 995 Estatemille Random, 12 905 Estatemille	Section United	ic Can	or States	cease tieles 1 19874, 19873 187774 11 18 16 72 Accumentation 1 19874, 19873 187774 11 18 16 72 Accumentation 2 201.6 277 to 181.4 4 2 9 2 0.0 East All represent Green 2 2 2 2 2 2 2 2 2	1986 - 3-4 C.17 G.17 G.17 G.17 G.17 G.17 G.17 G.17 G	Boom Prints	Viscost St, Girmone 62:3410 041-248-6100 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Japon Genth (Jeed. 3) 194.1 155.1 140.9 -6.00.00 (Rth Amer. Genth.) - 242.7 142.7 151.1 +1.5 2.2 1 (Account United.) - 3 172.0 171.0 185.2 1.7 15.2 2.1 (Account United.) - 5 177.0 177.0 185.2 1.7 15.2 2.1 19.0 (Account United.) - 5 195.4 285.3 215.3 1.9 1.9 2.0 (Account United.) - 5 195.4 285.3 215.3 1.9 1.9 2.0 (Account United.) - 5 195.4 285.3 215.3 1.9 1.9 2.2 2.0 (Account United.) - 5 195.4 285.3 215.3 1.9 1.9 2.2 2.0 (Account United.) - 5 195.4 285.3 215.3 1.9 1.9 2.2 2.0 (Account United.) - 5 195.4 285.4 215.4	internal index 54 72.7 72.21 74.3 4.6 1.5 1973	Seminor S. 127.5 27.7 27.7 27.8 24.0 4.0 4.0 0.0 16.0 16.0 16.0 16.0 16.0 16.0 16.	# Informs	many listed 3 = 5 (20) 22 (26.5 5 (77).4 = 4.5 (3.00 Protect program in 18 (18 (18 (18 (18 (18 (18 (18 (18 (18	The States — 5-1 (62.00) (62.00 at 65.00 - 12.20 b) Maria strange Principal St. 20. 36.20 at 91. 46. (43.01 b) Maria strange Principal St. 20. 36.20 at 91. 46. (43.01 b) Maria strange Principal St. 20. 36.20 at 91. 46. (43.01 b) Maria strange Principal St. 20. 37. 37. 37. 37. 37. 37. 37. 37. 37. 37	princy Life Unit Triests Ltd (1400)F Francisis N. Manchester M224F Francisis N. Manchester M224F Francisis N. Manchester M224F Francisis N. Manchester M224F Francis N. Manchester M224F Francis N. Manchester N. School 1258-56 Francis N. Manchester N. School 1258-56 Francis Control May 1258-56 Francis November	General Act 6 18.52 18.76 20.003 (40.64) 46 17.66 17.56 17.57 17.67 14.07 66 17.66 17.66 17.56 17.57 17.67 14.07 66 17.
Amely Access	American Profital of 3 57, 16 57, 16 41, 57 44, 52 54 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	The state of the s	Summers Unit Trust Messangers Ltd (1.000)F Ann. 5 Repletig M. Rettus, Brancascot, Exerc softes 5077 207309 M. R. S.	Communication Street Str	Bahn 19-13 - 54 - 52 - 52 - 52 - 52 - 52 - 52 - 52	Settleir's Lane, Laurign EEA Devices 91, 289, 9000 Mith America God — 6 333, 48 338, 57 14, 781, 27 9 Mith America God — 6 333, 48 338, 57 14, 781, 27 9 Mith America God — 6 777, 54 577, 54 605, 194 5 61, 29 Mith America God — 6 777, 54 577, 54 605, 194 5 61, 29 Mith America God — 6 77, 54 577, 54 605, 194 5 61, 29 Mith America God — 6 77, 25 77, 75 78, 75 78, 74 62, 75 78, 75	we will apply the second of th
Series Control (18	The current V - 34 1940 7 940 7 940 144 143 143 143 143 144 144 144 144 144	m sore, terms 122 May 20 See 20 46247 For 20 See 21 10 See 22 56247 For 20 See 22 5624	Rest Convertible	Selligir (2217 26.1011, 1975) physics are 15 (226.2) 272.2 272.3 276.5 10 For 19 physics are 15 (226.2) 272.2 272.3 272	Enter Part for Window Anna Value 1st. Enter Report List (1.0040)4 Anna Granfell Unit Tax Higgs: List (1.0040)4 Anna Granfell Unit Tax Higgs: List (1.0040)4 Anna Granfell Enter Report List (1.0040)4 Anna Granfell Enter Report List (1.0040)4 Anna Granfell Enter Report List (1.0040)4 (1.0	Transport Tran	Constitution 3 1029 1084 110.44-022.51 houses 5 165.1 974 103.1-0.1 16.71 houses 5 165.1 974 103.1-0.1 16.71 houses 5 165.1 974 103.1-0.1 16.71 houses 5 166.2 27.4 272.3 104.3-0.3 12.9 eige Unit Tat House Lid (1000)F primer 5 165.3 6.074-01.1-0.1 16.71 houses 5 165.3 6.074-01.1-0.1 17.77 houses 5 165.3 6.074-01.1-0.1 17.77 houses 5 165.4 6.22 6.074-01.1-0.1 17.77 houses 5 165.4 6.22 6.074-01.1-0.1 17.77 houses 5 165.4 6.22 6.074-01.1-0.1 17.77 houses 5 165.6 6.074-01.1-0.1 17.77 houses 5 165.6 6.074-01.1-0.1 17.77 houses 5 17.07 6.77 houses 5 17.07 houses 5 17.07 houses 5 17.07 houses 5 17.07 house 5 17.07 houses 5 17.07 house 5 17.
Transcript	1.1.G.A. (10-1) 299.78 59.38 61.09 0.25 (122 UK in part Landfor Uri 5 04.01 40.1 40.1 20.1 17.1 18.0 UK in part Landfor Uri 17 18 Mayes Lad (1.0000F US 40.1 18.0 18.0 18.0 18.0 18.0 18.0 18.0 1	Exemps	mehal — 44 MR.04 MR.04 19.04 19.05 11.40.65 2.6 gr 10 Febriko — 55.4 64.03 46.04 19.06 19.105.65 f i human Frunts me 1 Jerito — 55.4 64.03 46.04 19.06 27.11 19.15.25 f in me 2 Jerito — 55.4 19.06 19.06 27.11 19.15.25 f me 2 Jerito — 55.4 19.16 19.16 19.16 19.17 19.	10	10 10 10 10 10 10 10 10	Toggad St, 161,32 (22.7) (5.7) (2.7) (1.7)	The second secon
20 Nepint Street, Louise SW17 697, 69, 10 (27) 262. Create Have 15 3 (12.54) 9(1.5	serge t Searthy 5-51 3-4, 90 5-10 97 1-31 2-30 1-32 Geometric Communication (Communication Communication Communica	m Unitid	poses 5, 192, 9 792, 9 118, 67 77, 30, 0.08 of colors in source 5, 102, 9 102, 9 102, 102, 102, 102, 102, 102, 102, 102,	First United 2-5, 129-1, 129-3, 120-3	an incore \$124.5 124.54 132.2 3.74 Em income \$16.65 Do Ecol Es. Mis 3.99 Em income \$16.65 Do Ecol Es. Mis 3.99 Em income \$16.65 Do Ecol Es. Mis 3.99 Em income \$15.17 3.17 5.25 Em income \$16.17 5.25	Types State Uesta 9 — 5 317 3 312 3 328.7 94.01 48 1846 3186.2 328.2 328.2 329.0 4.7 5.01 1846 3186.2 328.2	
St Technology # . \$1272 3123 2253 221000 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	11 Mitchy Inc Pins	m Unition	th American _ 26 110.2 110.2 141.14.542.24 December 26 110.2 110.2 141.14.542.24 December 27.245 7.255 7.354,045 141.14.14.15.12.24 December 27.245 7.255 7.255 7.354,045 December 27.255 7.255 7.255 7.355 7.	Access	Design Offs 3/7272 Design Offs 3/7750 Design	Secretary 124, 125, 125, 125, 125, 125, 125, 125, 125	as 0277 22730
Burclays Unicorn Ltd (1600)H Inclore Hen, 252 Routford id. J. (0.534 5544 Unicorn America. 54: 19.43 87.46 92.24 4.84 1.88 De New Namerica. 54: 19.43 87.46 92.24 4.84 1.88 De New Namerica. 54: 19.43 19.45 211.7 +3.0 3.64 De Amat Acc	U W write 184 6 45.66 45.66 48.57 CSF.7.1 Do Ac to Acous	2010 - 500,005 510,00 542,50 42713,34 and a red of the control of	mellemi 9 — 6 164.5 164.5 176.2 -6.2 (0.51) we find 9 — 6 66.5 6.4 7 1.50.2 -6.2 (0.51) we find 9 — 6 66.5 6.4 7 1.50.2 -6.2 (0.51) we find 9 — 6 66.5 6.4 7 1.50.2 -6.2 (0.51) we conside 5.5 148.7 148.7 159.0 -6.1 (0.50) we conside 5.5 148.7 148.7 148.3 167.1 (0.50) we conside 5.5 148.7 148.	Account 17-10 management Co Ltd (1200)F Management Management Co Ltd (1200)F Management Managem	United 54 125 126 12	Cream 69 — 6.116.0 16.1 16.1 0.3 — 16.1 0.3 — 16.1	n Brown - 6 2.74 2.75 2.44 M.M.N. 75 mm - 6 2.74 2.75 2.44 M.M.N. 75 mm - 6 2.74 M.M.N. 75 mm - 75 mm
Do line in income — 3 4; 20 5 6 5 1.08; 94.481 40 00 14.43; Do line is of one for 34; 202.3 202.9 202.3 202.5 20.80 00 00 00 in line is of one for 34; 202.0 201. Intel 215.0 -0.7 20.00 in line is of one for 34; 202.0 201. Intel 215.0 -0.7 20.00 in line is one for 34; 55 5 5 5 5 6 6 1.77 2 20.00 in line is one for 34; 55 5 5 5 5 6 1.77 2 20.00 in line is one for 34; 50 5 5 6 1.77 2 20.00 in line is one for 34; 50 20 6 20 6 20 6 20 6 20 6 20 6 20 6 2	Technic 1984 37 25 42 7 25 3 3 3 4 866 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Unit Managers Ltd (1200)H Perr, B December Sc. London ECSM (*1) Deal St. 2575 Dealing (1) - 25, 107, 50, 137, 564, 167, 261, 170, 255, 170, 170, 170, 170, 170, 170, 170, 170	re incore	Histal Investments Ltd (1.160)F White hert Yard, London SE1 JUK (1.4075966 depth with hert Yard, London SE1 JUK (1.4075966 depth with here	Part No. 1 (1997) 1 (Soid Ed	### 17.5 # 17.5
American Growth5 56.75 56.76 62.94 62.73 1.5 77 American Scatt Car5 59.14 59.40 63.02 63.02 63.02 63.02 64.73 64.78 71.90 64.00 1.7 American Control of the Control of t	8-80 Carabilit Louden ECSW 318.1 01-283-1994 Grants and Carabilit Louden ECSW 318.1 01-283-1994 Grants and Carability Acc like 3-5 01027.7 1927.7 1988.1 4.36 bett in the part of the part	mat & Gen — 54, 1922 pt 1923 1921 19 224 10 10 10 400 400 400 400 400 400 400 4	1	September 1	hereny — 0 1422 166.6 194.9 — 1.35 —	150 150	Tract Rec 3 - 5190 50 00.15
Select Hammers 6 F 3134.17 \$5 th 98.41.6001 LO For Survington Trusts see Kinimurat Bauton LD Co Bell Court Fund Marge PLC (1500)F 11 Biorificial St. London ECRI 2.18 01.374 2622/4 At 1500 1850 1850 1850 1850 1850 1850 1850	Proving Unit Tyst Services Ltd (1200)H Profit Proving Home, Working 6027 1,307 1 474 1 56 1 57 1 58 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1	caller find — 54 (80.53 30.53 40.53 40.53 40.83	Section Sect	1,74.6 1.91.6 2.92.1 7.910.00 Januari 7.92.1 7.92.1 1.92.1	V(7-ref WAS 58.78) -31 N.00 Section 10 N.00	100 100	5 165 16 69 77 77 12 12 12 12 12 12 12 12 12 12 12 12 12
Secular Sits Acc. 5 221.0 221.8 -1.6 2.0 2.0 2.0 -1.6 2.0 2.	Troom Send Cos 0 196.5 196.5 196.5 196.5 1 196.5	Figure 134, 197.05 97.80 102.491-055/2.22	wys 4, Cameria Ed. 21. 1. 103-22. White series 5.5 52.7 to 10. 10 4. White H = 10. 10. 10. 10. 10. 10. 10. 10. 10. 10.	GUIDE TO UNIT TRU BIGHTIAL CHARGES These represent the sourtesting, administrative and other cents of charges are included in the price when the container lays and PREMI The price of the charge are included in the price when the container has a simple price. The spring of united white many in the bought. The price of controllar price which when the price is defined to present a control true, measures quest a rate in measure price in the sample and the spring which is called the cancellation in the controllar price which is called the cancellation in the cancellation price in circumstances in which is larger. The time shows alongside the food quantum of the price is the time of account to the spring of the price of indication by the grands] as according to the grands of the price of indication by the grands of the price of the price of indication by the grands of the price of the p	A which units carry be said. It which units carry be said. It was a result, the hid gives by the questionest. In a result, the hid gives is orne pet until shows the face in the table. Amouse the hid price relight, here is a large mean; of selects of males over likely to the said of the large said of selects of males over likely to the large said of selects of males over likely to the large said of selects of selects of the large said of	Control Section Control 44	*Ser
Case & General 0 23.57 24.79 22.79 10 00 100 100 100 100 100 100 100 100	######################################	ord Empty 9 - 0179, 1 51,7 1 91,7 (40.6) 5.62 1 Well (40.6) 175, 2 1 Well (40.6) 175, 2 1 Well (40.6) 17,7 197, 197, 197, 197, 197, 197, 197,	ide Hart Vard, SEI 03-407-3946 14 6 Gradius — St. 46.67 47.45 50.461-40514.11 recition Unit Tax Vinguri List (1.200) H unitedium Sale, Leedes SW26 & B	symbols are as follows: \$\psi\$ - 0001 to \$100 boars; \$\psi\$ - \$100 to \$140 exclusion; \$\psi\$ - \$100 exclusion at the time of dealing. The pricts shown are the in the current dealing basis, \$\psi\$ - \$100 exclusion;	76 O Promiss. This meaners that investors can obtain a best meating the before positionary and many not. Below meating or a settler to a forecast of pricing. Agree	Tender Bufft Trusts 1.1d (16000000000000000000000000000000000000	de Cachel . 5 1702 1702 170 1 1 62 40 64 10 11 11 7 12 11 10 12 10 11 11 12 12 10 11 11 12 11 11 11 11 11 11 11 11 11 11
_							

FUESDAY MARC



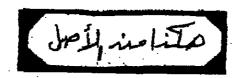


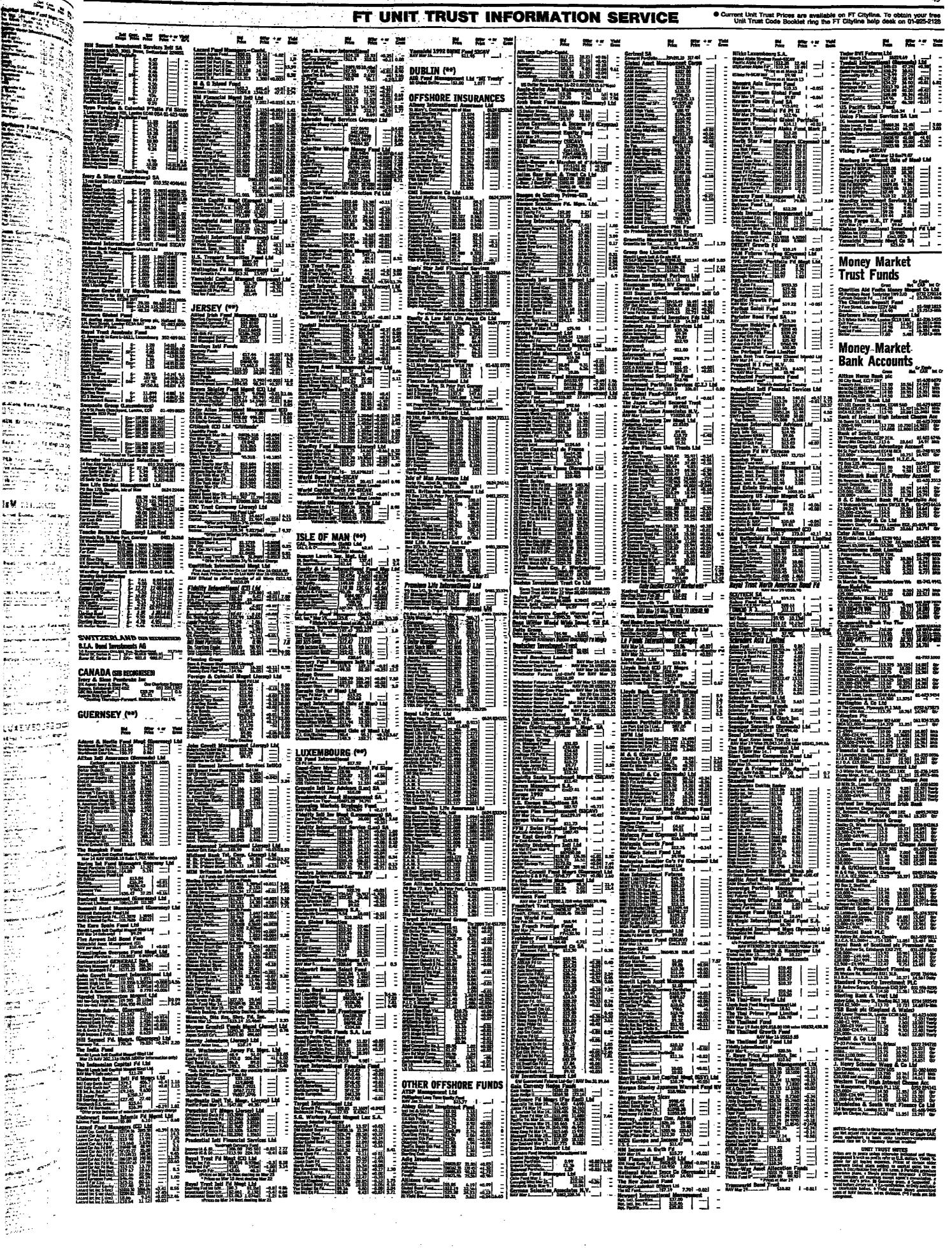
.

FT UNIT TRUST INFORMATION SERVICE	Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128
	Correct built road or loose on members of the FT of the control of
Seal of the control o	15 16 17 17 17 17 17 17 17

UESDAY MARCH

MY Carrie 13 73





CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

D-Mark up on election result

the result of Sunday's election in East Germany and the overwhelming support for parties favouring early reunification. The first move towards creating a single German state is expected to be monetary union and, according to Mr Elmar Pleroth, East Germany's desig-nated Economics Minister, this

could be achieved by June 30.
Worries about the inflationary impact of such a move were swept aside, as the poten-tial economic power of a united Germany led to strong support for the D-Mark.

The West German currency rose to a record high against sterling and the firmest level for about 7 years in terms of the Japanese yen. The pound, suffering from political and economic worries, and the yen, depressed by low Japanese interest rates, were worst hit by the strength of the D-Mark. The dollar also lost ground, but dealers were reluctant to push the US currency down too far ahead of today's US trade figures. A January deficit of about \$3.65n is expected, compared with \$7.2bn in December. At the close of trading in London the dollar had fallen to DM1.6830 from DM1.6945 and to FF15.6900 from FF15.7250, but was little changed at SFrL5085, compared with SFrL5080 on

Presion

STERLING INDEX 20 20 20 20 20 20

CURRENCY RATES Sak Sk % 0.803923 1.30401 1.53900 15.5909 46.49119 2.21572 2.49545 7.49440 198.749 8.57967 142.395 8.02627 1.97641 11/4 6,74728 1,29911 1,43151 42,3098 7,80900 2,03494 2,2429 6,88106 1,504,14 1,8659 7,40400 1,8239 1,94437 1,94402 1,8458 1,94402 1,8458 1,8

CURRENCY MOVEMENTS

OTHER CURRENCIES 7690.75 - 7701.70 | 4750.00 - 4750.00 | 22300 - 21410 | 1396 - 12250 | 1396 - 12250 | 1396 - 12250 | 1396 - 12250 | 1396 - 12250 | 1396 - 12250 | 1396 - 12250 | 1396 - 12250 | 1396 - 12250 | 12455 - 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 | 12455 |

THE D-MARK strengthened on the result of Sunday's election from Y152.30. According to the Bank of England the dollar's index was unchanged at 68.2.

The result of the East German election could hardly have come at a worse time for ster come at a worse time for ser-ling, Britain's ruling Conserva-tives are trailing a long way behind the opposition Labour Party in the opinion polls and they face the possible loss of a safe parliamentary seat in the Mid-Staffordshire by-election on Thursday. This is also the day when UK trade figures for February will be announced against the background of ent disappointing economic

London's financial markets are looking for reassurance from Mr John Major, the UK Chancellor, in today's Budget speech. In the circumstances, the pound was particularly vulnerable to a surging D-Mark. In London sterling fell to a record closing low of DM2.7125 from

DM2.7525. Earlier in Frankfurt the pound had been fixed at an all time low of DM2.7200. At the London close sterling had also lost 11/2 cents to \$1.6120, and had fallen to SFr2.4325 from DM2.4500 and to FFr9.1725 from FFr9.3000. The ever, at Y247.50 against a weak yen. Sterling's index fell 0.7 to 85.9. pound was unchanged how-

Dealers reported support for the yen by the US Federal Reserve in New York and by the Bank of England in Lon-don. The UK authorities, acting as agents for the Bank of Japan, bought yen against the dollar at around Y153.60. Earlier in Tokyo the Bank of Japan intervened heavily as the dollar rose to Y153.55, the highest closing level against the yen for three-years. At the London close the D-Mark advanced to Y91.20 from Y89.85, the highest point since

EURO-CURRENCY INTEREST RATES Gae Year

POUND SPOT- FORWARD AGAINST THE POUND

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR % pa

EMS EUROPEAN CURRENCY UNIT RATES 106 1035 1035 1035 1012 1167 1152 7.80300 2.03494 6.88106 2.24236 0.764052 1504.14 130.874 German D-M. French Franc

Changes are for Ecu, therefore positive change de

EXCHANGE CROSS RATES Yes F. Fr. S. Fr. H. FL Lite CS B. Fr. 247.5 9.173 2.433 3.055 2086 153.5 5.690 1.509 1.895 1244 0.897 9.830 路 91.23 1000. 330 37,06 1.757 2.958 0.663 1.115 269.8 10 101.7 3.770 3330 12% 2.079 61.48 0.784 23.18 8.528 0.888 81.01 0.804 1.352 123.4 1.003 0.7% 1 656.6 4.573 1.213 1.523 1000. 0.624 | 18.46 0.951 | 28.12 1.602 5.417 1.276 4.314 4.510 16.26

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

91.48 91.29 91.17 91.02 90.94 90.84 90.75

89.20 88.77 88.72 88.72 88.72 Estimated volume 599 (220) Product day's open lat. 4389 (4393)

1-min 3-min 6-min 12-min 1-6025 15860 15614 15203 79<u>75</u> SMI-STEXLING St per S

MONEY MARKETS

London rates firm

terday. Trading was quiet and nervous ahead of today's UK Budget. Three-month inter-bank rose to 15%-15% per cent from 15%-15%, and 12-month was quoted at 15%-15% per cent against 15%-15%.

Short sterling futures lost ground on Liffe as the pound fell and cash rates rose. June delivery opened lower at 84.81 and fell to a low of 84.70, before closing at 84.76 against 84.89

UK clearing bank base lending rate 15 per cent from October 5

on Friday. The Bank of England initially forecast a money market credit shortage of £1,000m, but revised this to £950m in the afternoon. Total help of £913m was provided. An early round of help was offered and at that time the Bank of England bought £195m bills outright, by way of £6m bank bills in band 1 at 14% per cent; £87m Treasury bills in band 2 at 14% per cent; £1m local authority bills in band 2 at 14% per cent; and £101m

bank hills in band 2 at 14% per Before lunch another £223m bills were purchased, via £21m

THE WEAKENING of sterling against a strong D-Mark pushed interest rates higher on the London money market yesbought, through £117m bank bills in band 1 at 14% per cent and £318m bank bills in band 2 at 14% per cent. Late assistance of around £50m was

also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £1,042m, with unwinding of repurchase agreements on bills absorbing 2557m, and bank balances below target £190m. These outweighed Exchequer transactions adding £205m to liquidity, and a fall in the note

circulation of £570m. In Frankfurt call money rose to 7.85 from 7.90 per cent with the market showing little reaction to a sharp downward revision in January West German monetary growth. The Bundesbank announced that M3 money supply grew at a revised rate of 5.9 per cent, compared with an earlier estimate of 8.4 per cent. This brought growth to within the central bank's target of 4 per

cent to 6 per cent for 1990. March tax payments have started to drain liquidity, leading to a decline in banks reserve holdings to DM62.9bn last Thursday from DM64.8m on Wednesday. There was little reaction to the result of the election in East Germany.

FT LONDON INTERBANK FIXING CLL.00 a.m. Mar.199 3 mentis US dollars

	T N	IONE	/ RAT	ES		
EW YORK		-	Treasury	Bills and	Bonds	_
unchtime) ne race for loss rate fords fords at intervention.	10	he most		8.01 Three 7.95 Four; 8.20 Five; 8.31 Seven 8.37 10-ye 8.67 30-ye)GF	171 146 147 140 157
Mar.19	Oversight.	Que Month	Two Menths	Three Months	Şix Months	Londord Londord
skfuri is ich ich skrigen ge in in sees	7.80-7.90 104-162 77-81 8.10-8.20 618-61 124-134 1025-11	819.825 854.862 781-78 101-79 101-101	8.15-8.30 124-121 ₂	8258.0 193-195 83-7 8758.5 74-75 193-194 124-124	8.70.8.25 13-154	8.00 16.00
	LOND	ON M	ONEY	RATI	ES .	
85a- 10	J	. 7 days	One	Three :	Sba	One

Interbant Offer
Interbant Bid
Sterling Cbs.
Local Authority Deps.
Local Authority Bends.
Local Authority Bends.
Discount Mic Deps.
Company Deposits
Trassary Bills (Buy)
Finance House Deposits
Trassary Bills (Buy)
Fine Trade Bills (Buy)
Soft Linked Dep. Offer
SDR Linked Dep. Offer
ECU Linked Dep. Bid
ECU Linked Dep. Bid 155 15 15 895 915 115 115

Treasury Bills (asil); one-month 14½ per cent; three months 14½ per cent; Bank Bills (sell); one-month 14¾ per cent; three months 14½ per cent; Treasury Bills; Average tendor rate of discount 14.6165 p.c. EGGD Fixed Rate Sterling Export Finance. Make up day February 28, 1990. Agreed rates for period March 26, 1990 to April 24, 1990, Scheme 1: 15.67 p.c. Scheme 1: 15.67 p.c. Scheme 1: 15.67 p.c. Scheme 1: 15.67 p.c. Scheme 1: 16.61 p.c. Local Authority and Finance Houses seven days notion, others seven days fixed, Finance Houses Save Rate 15½ from March 1. 1990: Bank Deposit Rates for suns at seven days notice 4 per cent. Cartificates of Tax Deposit (Series 6); Deposit £1.00,000 and over held ander one month 11½ per cent; one-three months 13 per cent; three-lax months 13 per cent; shar-weeter months 13 per cent; under \$100,000 in 12 per cent; shar-weeter months 13 per cent; under £100,000 in 12 per cent; shar-weeter months 13 per cent; under £100,000 in 12 per cent; shar-weeter months 13 per cent; under £100,000 in 12 per cent; shar-weeter months 15 per cent;

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OFTION CSO.504 Adds of 100%

CHICAGO

TATRIAN & POORS SOO MINEY

器

9,255

Hat Westvalenter 15
Northern Bank Ltd 15
Hornitic Geo. Treat 15
Hytoredit Mortgage Bank 151
PRIVATI handras Limited 15
Provincial Bank PLC 16
Bandwayle Grantee 151
Royal Six of Scottland 15
Royal Treas Bank 15
Swith & William Secs. 15
Skandard Chartered 15
SSR. 15

TSB
United St of Kanzali
United Mizzahi Bank
United Mizzahi Bank
United Frast Bank Pis
Western Trest
Western Trest
Western Ladder
Williamsy Ladder

6 Members of British Membani

• Memmes or Initial Merchan Banking & Securities Homes Association. • Depart our 5,9% Smeake 8.5%. Top Tier-£10,000+ instant assess 12,8% & Mortage base cata. § Depart deport 9% Mortage 15,2% – 15,95%

1,350

0.07 0.14 0.14 0.34 0.50 0.70

LONDON (LIFFE)

'% NOTENIAL LANG TERM JAP NGSO YJAKO 1860k of 1864

CAC-40 FUTGRES (MATE) Shet index

Adam & Couptay
Affeet Trest State
Affeet Trest State
Affeet Trest State
Of Heavy Andacher
Associates Cap Corp
B & C Merchant State
Bant of Saroda
Banco Rillian Viscaya
State State State
State State
State State
State State
State State
State State
State State
State
State State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State
State

Bank of Cypnes
Bank of Cypnes
Bank of Iveland
Bank of Iveland
Bank of Iveland
Bank of Scotland
Bank of Scotland
Bank of Scotland
Bank Bank
Bank Bank
Bank Bank
Bank Bank

Brit Ble of Will East.

Brown Shipley Cl. Bank Nederland

Charterboose | Citibank M...

NOTICE TO THE NOTEHOLDERS STATE BANK OF SOUTH AUSTRALIA AS50'000'000

Hangiron & Shamph 15

Lospold Joseph & Sais 15
Lospold Joseph & Sais 15
Lospold Bank Ltd 15
Medicanell Douglas Bult 15
Middland Bank 15
Middland Bank 15
Mothet Banking 15
Nat Bl. of Konak 15

BASE LENDING RATES

First Mational Bank Ptc.

Rabert Fleming & Co. Robert Fraser & Plans. Girobank

Girobank

Girobank
Girobank
HFC Bank plc
Hambros Bank
Hampshire Trust Plc
Heritable & Ges lav Bank

© Hill Samuel C. Noare & Ca.

Puttable Adjustable Rate Notes due April 8, 1992 (redeemable at the Noteholders option) Unconditionally and irrevocably guaranteed by The Treasurer of the State of South Australia (EC No. 52155)

According to Article 3(c) of the Terms and Conditions of the Notes the interest rate for the period April 8, 1990 to April 8, 1991 has been fixed at $15\frac{1}{18}\%$

The interest amount on A\$ 1000 comes to A\$ 153.125

In accordance with Article 5(b) of the Terms and Coaditions of the Notes State Bank of South Australia will, at the option of the holder of any Note, redeem on any Interest Payment Date (April 8), such Note at its principal amount provided that all unmatured Coupons relating thereto are attached thereto or surrendered therewith. To exercise such option the holder must deposit such Note together with all unmatured Coupons relating thereto (other than the Coupon maturing on the Interest Payment Date on which such Note is to be redeemed) with any Paying Agent mentioned below not earlier than the date of publication of the Rate of Interest Amounts applicable to the Interest Period next following such Interest Payment Date nor later than the following sixth Business Day prior to the Interest Payment Date. No Note, if so deposited, may be withdrawn without the prior consent of the State Bank of South Australia.

This year the Put Period will run from March 20, 1990 to March 30, 1990.

March 20, 1990

By: Swiss Corporation, Agent Bank

For and on behalf of State Bank of South Australia

Fiscal and Principal Paying Agent: Swiss Bank Corporation, Basic

Paying Agents:
Banque Générale du Luxembourg S.A., Luxembourg
Swiss Bank Corporation, London
Swiss Bank Corporation (Canada), Toronto.

tense (9)
18 Places where the retired crowd is found (5)

DOWN

dered secure (6) 3 A plant for example of the French raisers (5)

4 They take care of many

Are U.K. Interest Rates going UP, **DOWN** OR SIDEWAYS? Hedge your exposure with

Short Sterling and **Long Gilt Futures & Options**

Today as the Chancellor speaks, LIFFE's Sterling Interest Rate contracts will be open for business

CONTRACT TRADING HOURS

Short Sterling Long Gilt

8.20 am - 6.00 pm 8.30 am - 6.00 pm



are conducted on APT (LIFFE's highly successful Automated Pit Trading System).
For further details please contact Nicola Todhunter at LIFFE on 01-623 0444 or your LIFFE broker.

MIKUNI'S CREDIT RATINGS

on about 4,000 bond issues and about 1,000 short-te Cost:US\$ 3,600 per year

To: Mikuri & Co., Ltd. Del-Ichi Mori Building 12-1, Nishi-Shimbashi 1-chome Misato-ku, Tokyo 105, Japan or Telex J33118 Please send further information

JOTTER PAD

CROSSWORD

No.7,193 Set by VIXEN

ACROSS
1 Trying to dress in front of a number (8)
5 Dull forms drop it (6)
9 Dwelling divided to accommodate an entire team (8)
10 Give 12 to royal egghead (6)
12 Game that can make a mum tense (9)

crowd is found (5)

14 Sound work! (4)

16 Keeping from cracking jokes? (7)

19 Personal application for bearing trees (3-4)

21 The man from Dorset has got the post (4)

24 Head having credit to grant (5)

24 Read having credit to grant
(5)
25 Rule a girl out of order,
though it's irregular (9)
27 A social worker may well
get on edge in Northern
Ireland (5)
28 Odds on key service (8)
29 The endless gap calling for
economy (5)
30 Insisted upon a different
sort of dessert (8)

1 Sewing material that's right

in the modern era (6) 2 Free, though it could be ren-

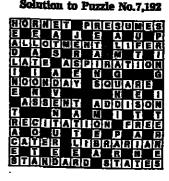
smong the underground workers (7)

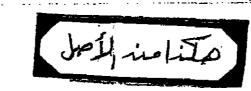
6 Viewing to excess is a mis-take (9) 7 Flat round insect seen

where there's fruit (8)
8 Manoeuvring when up, as greed's involved (8)
11 A beast with guns turned up (4)
15 Dispute after glaring and he' Il seek legal redress (9)
17 A fondness for quiet charm

(8)
18 A journalist about to take a drink (8)
20 Going off in great spirits (4)
21 Husbands carrying the man's bundles (7)
22 Pretty rural cottage providing a horne for a cottage

ing a home for a story-writer (6)
23 Well wrapped up against the cold, so was in no hurry (6)
26 Order giving rise to anger (5) Solution to Puzzle No.7,192





DAY MARCH 25%

ates going p

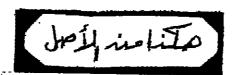
DEWAY

cposure with ding and

res & Option

ading hours

WORD



LONDON STOCK EXCHANGE





Keep the world in focus.

For many executives that could be a daunting task were it not for the Financial Times. The FT has breadth and depth of vision, an eye for events that are often in shadow and the ability to provide sharply detailed analyses. In short—it keeps track of a global economy that's in constant motion.

To order call 1-800-344-1144. In Canada 1-800-543-1007.

FINANCIAL TIMES

14 East 60th Street • New York, NY 10022 USA

4pm prices March 19

The Second Communication of the Communication of th

| Right Lord | Shock | Dhe | The | Tilled | Lord | Close Chook | Close 201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Control 1.50
201 Co

| Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Ministration | Mini

| Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Check | Chec 而是这个是一个,我们就是一个,我们就是一个,我们就是一个,我们的,我们们的,我们们的,我们们的,我们们的,我们们的,我们就是一个,我们就是一个,我们们的,我们们的,我们也会会会会会会会会会会会,我们就会会会会会会会会会会

| Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | Part | ### 1.05

75 MANT 1.05

75 MANT 1.05

75 MANT 1.06

76 MANT 1.06

77 MAN

251, 161, Orionic Jan 43 6 270 105, 257 115, 257 如何们是他是我是一个,这个是是我的是我们的有效的,还是我们一个不知识的的现在分词,我们是我们是我们的对象的,我们也是我们的现在分词,我们也是我的人们的是我们的, 1996年,我们是是我们们的是我们的有效的,我们们们的对象的时候,我们是我们的对象的,我们们们的是我们也是我们的,我们们们的是我们们的是我们们的是我们们的是是我 201 Penergh 20
101 Pe

Chige Gross Press. Quests Closes 52 \(\frac{1}{2} - \frac{1}{2} \) 57 \(\frac{1}{2} - \frac{1}{2} \) 23 \(\frac{7}{2} - \frac{7}{2} \) 5 \(\frac{1}{2} + \frac{1}{2} \) 5 \(\frac{1}{2} + \frac{1}{2} \) 25 \(\frac{1}{2} + \frac{1}{2} \) Continued on Page 47

在1960年,1960

Sand Sand

8-2 respects
12-5 Reschot 30
7-64 Regel
65-1 Regel
65-1 Regel
65-1 Regel
61-1 Reschil
61-1 Reschil
61-1 Regel

UKSDAY MARCH

COMPOSITE

Desire 1.00 Desire

65 + 112 + 155 + 165 + 1

NASDAQ NATIONAL MARKET

Stock Disk.

Stock Disk.

Kinstell Stock S

AMEX COMPOSITE PRICES

| Stack | 2016 | 1000 | 1000 | 1000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 |

Dow recovers after 30-point slump earlier

Wall Street

AFTER a bout of early weakness in both stock and bond markets in reaction to Friday's substantial rallies, both mar-kets recovered their poise,

urites Janet Bush in New York. The Dow Jones Industrial Average slumped nearly 30 points during the morning session but then began on a steady recovery. The index closed 14.42 points higher at 2,755.63 on low volume of 143m

On Friday, the Dow had closed 45.50 points higher at 2,741.22 with most of those gains on technical buying related to the expiration of March stock index futures and options contracts.

The Treasury bond market, which was up by as much as % point on Friday, dipped back to as much as % point lower at mid-session before recovering

ASIA PACIFIC

Tokyo

and marginal gains at the long end. Treasuries had surged on weaker than expected indus-trial production data for Febru-

to show small losses in the short end of the yield curve

trial production data for February but, even at the time, some bond analysts thought the buying somewhat overdone.

Events overseas tended to be negative for US markets yesterday although only early in the session. The fall in US equities during the morning session appeared to owe more to profit-taking after Friday's technical surge than to the technical surge than to the sharp drop in Tokyo shares overnight. The 4.15 per cent drop in the Nikkei 225 index certainly pushed US stocks lower at the opening yesterday but they then stabilised.

The bond market was somewhat undermined by a plunge in West German bond prices following the weekend elec-toral victory for conservative, pro-unification forces in East

US markets were somewhat cautious in advance of today's release of the Consumer Prices Index for February and the January merchandise trade balance. The CPI is expected to have risen by around 0.3 per cent and 0.4 per cent once food.

and energy prices are stripped out. The trade deficit is fore-cast to have widened to between \$9.5bn and \$10bn from December's shortfall of \$7.2bn. The Dow Jones Transporta-tion Average was in focus, ris-ing 22.41 to 1,179.23 in response to news of an alliance between investors Coniston Partners and three of United Airlines' unions, which will pursue a buy-out of UAL, the parent company. The news boosted airline stocks. UAL rose \$11% to \$153%, AMR, the holding Among blue chip issues, International Business Machines slipped \$% to \$109%, Merck was unchanged at \$70% and International Paper fell \$% to \$52%.
Oil stocks were generally

weaker following a collapse in crude oil futures contracts yesterday morning which took both April and May crude contracts below the \$20 a barrel level. Exxon dipped \$% to \$47%, Mobil fell \$% to \$62% and Chevron dropped \$1% to

Single-country funds offering investment in West Germany were generally higher after the East German poll results. Germany Fund rose \$1% to \$17% and New Germany Fund rose \$% to \$17%. Future Germany Fund, however, fell \$% to \$17%. Brazil Fund slumped \$1% to \$11% after the counfreeze, sharp tax increases and a highly restrictive monetary

policy. Barnett Banks fell \$% to \$30% after the company's announcement late on Friday that it expected fourth quarter earnings of 24 cents to 29 cents share compared with \$1 a share in the year ago period. The drop was attributed mainly to a \$60m boost to its loan loss reserves.

IN TORONTO as well, share prices clawed their way back from early weakness to close mixed in light trading.

The composite index ended 11.43 points higher at 3.772.13, the day's best level, but declining shares outpumbered.

ing shares outnumbered advances 313 to 246. Volume amounted to 21,1m shares, worth C\$239m, down from Friday's 25m shares, val-

company for American Air-lines, added \$1% to \$66% and Delta Airlines gained \$1% to try's president announced a package of economic measures including a wage and price

Nikkei falls 4% on yen and interest rate fears

THE OLD STORY of the weak-

ening yen and rising short-term interest rates, as well as rumours that a large speculative group had run into financial difficulties, led share prices sharply lower in thin trading, writes Michigo Naka-

moto in Tokyo.

The Nikkei average lost 1,350.20, or 4.1 per cent, to close at 31,263.24, its third largest ever fall in points terms. The broad-based Topix index lost 92.98 to 2,326.23, its fourth largest fall. The Nikkei average initially sained more than 100 to tially gained more than 100 to a day's high of 32,721.44 on arbitrage buying, but fell vic-tim to continued selling as trading got under way, chalking up a loss of more than 600 by midday.

Selling gathered pace in the afternoon and the Nikkei nose-dived to a low of 31,198.21 before recovering slightly.
Losses overwhelmed gains by
1,017 to 45 with 58 unchanged.
Turnover slipped to 412m
shares from 487m on Friday. In London, the ISE/Nikkei index fell 19.81 to 1.660.22

Uncertainty about the timing of an expected increase in the

official discount rate continued to weigh on sentiment yester-day, while a sharp fall in futures led to arbitrage selling on the cash market. The June Topix contract lost 90 points in afternoon trading, the maximum allowed in one day.

Rebased indices Nikkei Average Topix

Contrary to expectations, selling by institutions continued even after the end of trading for the year for specialised investment trust funds (tokkin) on March 15. New, tighter regulations for specialised funds have contributed to the from tokkin trusts, analysts said. Under the new rules, which come into effect next month, institutional investors must use an investment advi-sory company to manage their tokkin funds, which means more detailed accounts of investment activities.

Individual investors were prevented from giving the mar-ket support by a tight margin buying situation. Several smaller securities firms were reported to be unable to allow any more buying on margin, as they had used up their allo-

To make matters worse, there were rumours that a large speculative group that had been accumulating shares in several issues was likely to go bankrupt.

go bankrupt.

Large capital issues widely held by institutional investors were sold heavily. Nippon Steel topped the volumes list with 11.8m shares traded and fell Y11 to Y605. Kobe Steel followed with 0 me keep and 10 me heart of the steel of the stee lowed with 9.3m shares and lost Y14 to Y731. Ishikawaji-ma-Harima Heavy Industries took a sharp fall of Y70 to Y1,100.

High-technology electricals were also hurt. Toshiba was third in volume with 6.4m

shares and dropped Y50 to Y1,000. Hitachi also lost Y50. Osaka also suffered a large fall, with the OSE down 1,409.75, or 4 per cent, at 1,409.75, or 4 per cent, at 3,671.74. This was the third largest drop in history for Osaka as well. Volume rose to 199m shares from 142m on Friday. Nippon Chemical Indus-trial, which has risen recently on speculative buying, plunged

Y420 to Y2,670.

THE TOKYO plunge had little effect on the rest of Pacific Basin, merely timping Australia off its day's high and prompting small declines in Singapore and Hong Kong.

AUSTRALIA rose as a

weaker local dollar boosted demand for resource stocks. The All Ordinaries index rine AH Ordinaries index gained 14.4 to 1,598.9 against a high of 1,604.5 and golds advanced 54.8 to 1,818.2.

Volume rose to 115m shares worth A\$227m, from 92m and A\$168m on Friday. BHP, the country's biggest oil producer, gained 16 cents to A\$9.96 with 41m shares traded. In the gold

4.1m shares traded. In the gold sector, Placer Pacific rose 27

response to the fall by Japa-nese shares, but ended above its day's low as some bargain-hunting set in. The Straits Times Industrial index lost 8.13 to 1,562.86 as volume picked up to 79m shares worth S\$161m from Friday's 66m and S\$143.5m

HONG KONG also eased in reaction to Tokyo before find-ing support at its lowest levels. The Hang Seng index ended 15.07 down at 2,871.39, after falling to 2,862 earlier. Turn-over declined to HK\$919m from TTK\$1_06hn_

Hongkong Land, which reported net profits up 24 per cent last week, added 10 cents to HK\$7.55. Playmates Holdings, the toy manufacturer, gained 35 cents to HK\$3.70 after news last week of a huge rise in net profits from HK\$18.2m to HK\$166.7m on the success of its Teenage Mutant Ninja Turtles in the US.

TAIWAN slipped as pro-de mocracy protests continued. The Japanese market's fall contributed to cautious trading. The weighted index, which was almost unchanged on Saturday, shed 135.05 to 11,369.69 and volume fell to 787m valued at NT\$114bn, from the previous session's 860m and NT\$123bn.

Early joy at East German election results wears thin

THE EAST German election results were welcomed at first by Frankfurt with a record in heavy volume, but it failed to sustain its initial reaction, mrites Our Markets Staff.

FRANKFURT had a good start, with a 17.69-point, or 2.2 per cent, rise in the FAZ index to a record high of \$10.65 at midsession and an early DAX reading of 1,931.08 against its February 5 peak of 1,939.43. Turnover more than doubled from DM6.8bn to DM13.9bn on the strong showing of the right-wing alliance in Sunday's East German elections.

However, some investors tried to to sell into the election results on the old stock market adage, "buy on the rumour, sell on the news." A rise of 5 basis points to 8.96 per cent in the Bundesbank's average bond yield also led to caution later in the session, and the DAX finished with a gain of 17.08, or 0.9 per cent, to

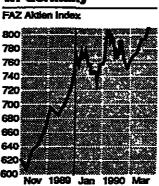
1,906.77. This led to some individual extremes. Daimler eased DM2 to DM903, BMW was unin-spired and chemicals, too, put in a dull performance. How-ever, Volkswagen finished DM21.50 higher at DM596.50 after it confirmed weekend newspaper reports that it is in talks over a broad business alliance with the Czechosla-vakian carmaker, Skoda.

Other blue chips expected to gain substantially from the overhaul of the East German economy include Siemens, which led the most active stocks list in turnover of DM1.92bn and rose DM21 to DM805; and Deutsche Bank, which followed in DM1.850n and rose DM12.50 to DM799. Apparently ignoring the ngoing threat from the IG Metall wage and working hours demands, Krupp, Metallgesellschaft and Preussag rose by DM12.50, DM23 and DM21.30, to DM320, DM713 and DM436 respectively.

VIENNA welcomed the East erman election results with a further record, as the bourse index rose 8.9 to 739.21. Construction companies continued to benefit from East bloc prospects: Wienerberger rose Sch360 to Sch7,580 and Universale Sch200 to Sch4,210. PARIS weakened throughout the day, depressed by Wall Street's lower opening, Tokyo's decline and fears of higher man reunification after East Germany's election results. The CAC 40 index lost 21.86 to 1,936.96. Bouygues, the construction company, lost FFr6 to FF1590 after a block of 6 per cent of its capital was traded at FF1600 a share. Société Génér-ale de Belgique later confirmed that it had sold the block, with Suez the rumoured buyer. A total of 946,775 Bouygues shares were traded, raising an

otherwise modest bourse turnover to about FF12.4bn. Scoa, the distribution group, continued to decline after Lon-

W. Germany



rho of the UK pulled out of a rescue agreement; it lost FFr2.50 to FFr32.60 on 368.700 shares. LVMH, the luxury goods group, fell FFr69 to FFr4631 in thin volume. The company, which announces results on Thursday, denied reports at the weekend that it was planning to buy another 12 per cent stake in Guinness. AMSTERDAM eased in thin trading after gains in the last two weeks, pulled down by a weaker domestic bond market weaker domestic bond market and nervousness following Tokyo's fall. The CBS tendency index dropped 1.9 to 113.8. Nedlloyd, the transport group which was heavily bought in recent weeks by UK institutions on takeover specu-

lation, fell Fl 4.20 to Fl 94.50. Bank Kempen was suspended after closing at FI 16.50 on Friday; a company statement is expected today.

MILAN gained in active trading. Speculation that Mr Carlo de Benedetti would settle the

fight for control of the pub-lisher, Mondadori, by selling his stake in Mondadori to Mediobanca in return for a stake in Generali, the insurer, pushed up the stocks involved. Cir, Mr de Benedetti's hold-ing company which is also runoured to be about to sell its stake in Société Générale de Belgique, added L60 to L4.860. Generali rose L790 to L39.890 and dragged up other insur-ance stocks with it. Olivetti rebounded from lows last week and added L161 to L6,525.

Stet, the telecommunications company, rose L105 to L5,312 following press coverage of a favourable company analysis by Goldman Sachs. The Comit index rose 7.66 to 683.44.

MADRID looked more lively than in recent days as domes tic investors showed increased interest, although the general index was little changed at the 0.18 to 268.84.

In banking stocks, Banesto rose Pta130 to Pta3,640 with 52,500 shares traded by the end of continuous trading. OSLO succumbed to profit-taking after its record highs last week and oil stocks eased

on lower prices for Norway's North Sea crude. The all-share index fell 10.95 to 638.78. BRUSSELS surrendered early gains to close lower in sparse volume. The cash mar-ket index fell 11.10 to 6,052.50. Cement maker Ciment CBR dropped BFr190 to BFr7,750 after news last week of a big increase in 1989 profits. The Belgian Banking Commission said it was investigating the sharp rise in CBR's share price before the announcement. Solvay, the chemicals group, rose BFr125 to BFr13,625 on hopes that that it would recover East German assets expropriated

about 50 years ago. STOCKHOLM had a delayed reaction to the central bank's raising of interest rates last week. The Affärsvärlden General index fell 10.7 to 1,130.9.

SOUTH AFRIÇA

JOHANNESBURG reached a new high, buoyed by strong mining ahares and continued optimism following last week's budget. The JSE all-share index climbed 51 to 3,392.

World survives in Japanese shadow

	MARKE	TS IN	PERSP	ECTIV	Ē	
	% (ikaoge in iq	out currency	r	% change starting †	% change in US \$ 1
	1 Week	4 Weeks	1 Year	Short of 1930	Start of 1980	Stort of 1990
Austria	+0.66	+6.90	+141.77	+64.14	+52.42	+53.56
Belgium	+0.34	+ 2.83	1.68	7.62		-6.57
Denmark	+0.11	+3.81	+35.96	+5.48	+6.03	+6.82
Finland	-2.69	-3,47	-7.57	+5.67	+5.80	+6.50
France	+ 1.45	+5.27	+20.80	-3.14	- 2.85	-2.18
W. Germany	+ 1.84	+0.67	+41.77	+6.56	+5.59	+6.36
Ireiand	+2.62	-0.41	+ 18.16	+2.47	+2.86	+3.63
Italy	+ 1.37	-0.16	+8.44	-3.68	-3.70	-236
Netherlands	+2.09	+2.32	+8.84	-3.31	-3.91	-3.19
Norway	+0.19	+3.41	+39.19	+22.53	+22_13	+23.04
Spain	-2.26	5.57	-7.20	-11.06	-11.39	-10.73
Sweden	-0.97	-2.21	+8.26	-8.17	-8.07	-7.38
Switzerland	-0.78	-3.42	+ 14.66	-3.30	-1.83	- 1.09
UK	+1.23	- 1.74	+6.12	-6.81	-6.61	-5.92
EUROPE	+1.10	-0.06	+13.82	-295	-2.95	-2.23
Australia	+0.22	-3.75	+9.361	-3.61	-8.65	-7.97
Hong Kong	0.93	-2.35	- 10.20	+1.24	+0.40	+1.18
Japan	-5.03	- 12,90	5.70	18.80	23.90	-23.33
Malaysia	- 1.51	-3.63	+43.93	+3.12	+ 1.68	+24
New Zealand	+0.34	-2.64	-4.23	-9.42	10.94	- 10.28
Singapore	-1.10	-1.19	+26.49	+7.59	+ 8.33	+9.14
Canada	+0.68	+0.56	+4.95	-3.86	-6.31	-5.62
USA	+0.99	+2.58	+ 15.88	- 3.46	-4.18	-3.46
Mexico	+0.51	+5.20	+ 172.94	+22.72	+24.12	+25.06
South Africa	+6.30	+8.36	+39.45	+14.81	1.26	+201
WORLD INDEX	1.25	-4.36	+6.18	9.40		
† Secod on March 16 1 and County Haffest S	980. Copy ecurities Line	right, The I	Inencial Tim	ee Limited,	Goldman, S	ache & Co.

By William Cochrane LOBAL equity markets
were overshadowed
but not routed by Japan last week. Tokyo's 5 per cent fall on the week left the FT-Actuaries World Index 1.25 per cent lower; excluding

Japan, it would have been 1 per cent higher. Tokyo is in a vicious circle. The trade-weighted value of the yen was down 6.5 per cent in the 12 weeks to last Friday; Japan's export surplus dropped 31 per cent in February and a Nikon Keizai Shimbur forecast a slowdown in corporate profits growth. Apologists for equities say the market is falling in low vol-

ume, partly due to investment trusts and institutions closing their books this month. However, the latest weekly review from Hoare Govett says Japanese companies are pull-ing their money out of tokkin and other investment trust funds; the brokers fear that redemptions will have further effect on demand for equities.

"The Tokyo stock market looks as though it might be on

the brink of collapse, which would generate enormous cap-ital glows out of Japan," Mr Robin Aspinall writes. "So you do not want to buy yen."

A solid week in Europe and stiffened the sinews of the world outside the Pacific ing about political and economic prospects, and fastened on to a string of good corporate results; Paris found support from the strong bond market and positive economic outlook. West Germany rose as con-servative political prospects for last Sunday's East German elections improved; Amster-

dam rose on firmer bonds and good company results.

The big rise of the week came in Johannesburg, where mining and investment tax changes in last Wednesday's budget were expected to boost share prices and improve mar-

Futures players came into big index stocks last Thursday, seeing a chance to profit on the closure of the March all-share futures contract; on Friday, a higher bullion price allowed gold shares to top off the week.

Svenska Cellulosa Aktiebolaget

SUMMARY OF 1989 RESULTS

		•		•
Year ended 31st December:		- · · · · · · ·		
SEK million	200	1989	1988	INCREASE
Netsales		24,853	20,850	+19%
Earnings after finance	ial items	2,712	2,603	+ 4%
Earnings per share,	SEK	8.37	7.63	+10%
Proposed dividend, S	SEK	2.90	2.42	+20%

NEW MARKETORIENTED GROUP ORGANISATION

Effective 1 January 1990, the SCA Group implemented a new Group structure with the following business groups, where earnings (pro forma) would have been as follows:

•		No.	rt Sales	Operati	ng profit
SEK million		1989 .	1988	1989	1988
Hygiene (Mölniycke)		10,870	10,419	703	701
Packaging	٠.	5,292	3,954	573	466
Graphic Paper	··	6,445	4,492	806	758
Forest and Timber		3,904	3,545	495	459
Energy (BÅKAB)		1,009	922	403	310
Internal deliveries, etc.	·	-2,667	-2,482	39	123
		24,853	20.850	3,019	2,817

OUTLOOK FOR 1990

General economic trends in Europe are expected to remain favourable in 1990, even if somewhat subdued compared to preceding years. Combined with a stagnated raw material market situation, this means that favourable trends are foreseen for packaging operations - SCA Packaging - in 1990. Trends foreseen for raw materials will have a favourable impact on Mölnlycke as well. However, the difficult competition will be countered with additional market initiatives and capacity-related capital expenditures.

For many reasons, 1990 trends are difficult to forecast for the traditional forest and paper products. Even if market trends are generally favourable in Europe, the situation is complicate markedly by weakenings in Sweden and England as well as a supply surplus in several forest product sectors, due in part to the weaker market situation in North America. The trends in Swedish costs also result in sharply compressed margins for exported products. This means weaker earnings from SCAs production of linerboard, newsprint and pulp. Better trends are foreseen, however, for the printing paper and testimer operations based in continental Europe. In 1990, SCA will complete a major capital expenditure programme at the Graphic Paper business group, which in part involves decommissioning a newsprint machine in late April/early May and commencing the new LWC production just before year-end.

Despite improvements awaited for hygiene and packagings, the shrinking margins for Swedish forest and paper products, combined with high interest rates and non-recurrent effects of capital expenditure projects, will result in a decline in consolidated earnings. Based on the information now available, a decrease of approximately 10% is foreseen. Should the price of pulp fall, the decrease will be more limited, as the Group is now a net purchaser.

For additional information or a copy of the Annual Report, please contact Sten Lindholm, Senior Vice President, Corporate Communications. Telephone: 46 8 665 09 09; Facsimile:

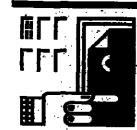
FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		MO	NDAY MAI	ICH 19 199	0		FRIDAY	MARCH 16	1990	DOI	LAR INDE	<u> </u>
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local currency	Gross Div. Yield	US Dollar Index	Pound Starling Index	Local Currency index	1969/90 High	1989/90 Low	Year ago (approx)
Australia (83)	140.61	+ 0.9	129.32	123.91	+0.9	5.57	139.31	127.14	122.82	160.41	128.28	138.13
Austria (19)	285.63	+21	262.70	249.67	+1.3	1.06	279.77	255.33	246.51	285.63	92.84	105.46
Belgium (61)	145.04	+0.4	133.39	125.18	-0.2	4.46	144.51	131.88	125.44	160.02	125.58	129.57
Canada (120)	143.55	-0.1	132.02	123.02	+0.2	3.28	143.63	131.09	122.73	154.17	124.67	133.60
Denmark (36)	260.61	+0.7	239.69	228.36	-0.1	1.40	258.73	236.13	228.64	260.82	165.35	167.77
Finland (26)	142.35	+0.2	130.92	119.39	-0.1	2.44	142.09	129.67	119.50	159.16	118.63	141.69
France (125)	151.99	- 0.5	139.79	135.86	-1.1	2.79	152.71	139.37	137.14	157.97	112.57	113.51
West Germany (96)	135.17	+27	124.32	118.27	+2.0	1.80	131.61	120.11	115.94	137.01	79.56	82.55
Hong Kong (48)	118.10	-0.3	108.62	118.48	-0.3	5.02	118.48	108.13	118.82	140.33	86.41	128.62
Ireland (17)	188.43	+0.2	173.30	168.73	+0.0	2.49	188.13	171.69	168.73	198.57	125.00	142.28
haly (96)	97.73	+ 1.7	89.89	90.82	+1.1	2.53	96.11	87.72	89.80	102.11	74.97	79.83
Japan (455)	144.47	-4.5	132.87	140.18	-3.8	0.58	151.34	138.12	145.70	200.11	144.47	183.32
Malaysia (36)	232.99	-0.7	214.28	244.25	-0.5	217	234.61	214.12	245.46	245.32	143.35	159.09
Mexico (13)	394.46	-3.1	362.79	1190.33	+1.3	0.44	406.99	371.43	1174.74	409.41	153.32	166.67
Netherland (43)	138.43	0.6	127.32	119.76	-1.3	4.65	139.30	127.13	121,34	145.66	110.63	115.16
New Zealand (18)	64.47	- 0.3	59.30	58.42	+0.1	6.07	64.68	59.03	58.37	88.18	61.96	69.12
Norway (24)	243.52	1.0	223.97	216.42	-1.3	1.56	245.90	224 <i>.</i> 42	219.20	245.90	139.92	167.71
Singapore (26)	192.13	-0.7	176.70	165.83	-0.7	1.75	193.40	176.50	166.93	199.38	124.57	145.36
South Africa (60),	200.82	+0.2	184.70	178.65	+ 1.2	3.34	200.48	182.97	174.59	251.39	115.35	141.89
Spain (43)	146.06	+0.3	134.34	119.73	-0.4	4.40	145,58	132.86	120.21	169.75	143.14	145.91
Sweden (35)	176.58	-0.7	162.40	159.85	-1.1	2.46	177.87	162.33	161.67	206.85	138.45	156.36
Switzerland (62)	92.24	-0.9	84.83	86.26	. -0.8	2.19	93.04	84.91	86.96	99.12	67,81	74.95
United Kingdom (307)	148.48	 1.9	134.72	134.72	- 1.1	4.86	149.30	136.26	136.26	164.31	133.28	146.75
USA (541)	138.82	+0.5	127.68	138.82	+0.5	3.44	138.10	126.03	138.10	146.29	11213	117.65
Europe (990)	138.91	-0.2	127.76	124.21	-0.3	3.51	139.21	127.05	124.56	146.86	112.63	117.13
Nordic (121)	190.87	-0.1	175.55	163,42	-0.7	1.91	191.07	174.38	164.53	201.89	137.95	147.58
Pacific Basin (666)	149.42	-4.2	131.91	138.73	-3.5	0.89	149.73	136.65	143.78	194.72	143.42	179.11
Euro - Pacific (1658)	141.95	-27	130.55	133.41	-2.3	1.93	145.83	133.09	136.50	174.18	141.58	164.34
North America (661)	139.01	+0.5	127.85	137.82	+0.5	3.43	138.33	126.25	137.12	146.66	112.79	118.50
Europe Ex. UK (683)	132.47	+0.8	121.83	117.37	+0.2	2.70	131.39	119.91	117.10	135.73	96.30	98.84
Pacific Ex. Japan (211)	130.21	+0.3	119.75	118.64	+0.3	4.94	129.85	118.51	118.29	140.05	111.93	128.69
World Ex. US (1849)	142.71	+v.s -2.5	131.26	133.84	-21	2.00	146.44	133,64	138.75	173.77	141,49	153.50
World Ex. UK (2083)	139.65					2.25	141.73	129.35	137.18	162.00	136.98	138.93
		- 1.5	128.44	135.48	-1.2			129.63	136.78			
World Ex. So. Af. (2330)	139.87	- 1.5	128.64	135.07	-13	2.48	142.03			161.84	136.67	139.60
World Ex. Japan (1935)	139.47	+0.2	128.29	133.01	+0.2	3.52	139.19	127.03	132.74	145.52	114.51	118.69
The World Index (2390)	140.24	-15	128.98	185.35	-12	2.49	142.39	129.95	137.04	162.05	138.68	139.61

Copyright, The Financial Times Limited, Goldman, Sacha & Co., and County NatWest Securities Limited. 1987 Constituent change 19/3/90: Addition: Courtaulds Textiles (UK) Irish market closed on March 19.

Jerma FINANCIAL TIMES



European companies in high technology sectors are forming links with US and Japanese groups to

develop wider international

strategies. Charles Leadbeater

looks at the implications for the various sectors as groups widen their horizons at different speeds

Time to look beyond the EC

THE ANNOUNCEMENT that

Daimler-Benz, the West Gerindustrial restructuring is proman aerospace and engineer-ing group was involved in co-operation talks with Mitsu-bishi, the Japanese cars and selectronics group, may be a sign of things to come for Europe's high technology

industries.
It comes hard on the heels of an agreement between IBM, the computer manufacturer and Siemens, the West German engineering and computer group, to collaborate in devel-oping the next generation of

semi-conductors.

The message of both agreements is that the future of Europe's high technology industries will not be decided by European companies alone. To pursue viable European strategies companies in high technology sectors will have to develop wider international strategies which stretch beyond the Community. Europe's horizons have been

widened most dramatically by the unfolding political and economic reforms in eastern Europe. But relations with the US and Japan are more signifi-

cant industrially.

Four issues will be central to how Europe's high technology industries develop in the next

SOUTH AFRIL

EARLY NASCOES #

tion of the first party

to a see felleweige de ... The Alle

bolage

Nurs als

A 4 . 2 *

ceeding at different paces in different sectors.

In consumer electronics Europe has only three large players, Phillips of the Netherlands, Thomson, the French state-owned conglomerate and Nokia, the Firmish company. This sort of concentration is widely predicted as the future for other industries such as

The European computer industry is at the early stages of a restructuring which could ad to a similar cross border consolidation. In pharmaceuti-cals and telecommunications the process of liberalisation and restructuring is just geting under way.

This trend towards consolidation raises important questions about economic efficiency

defence and aerospace.

and managerial competence.

Is cross border collaboration and concentration the foundation for innovation and competitiveness or an anti-competi-tive obstacle to it?

Can these cross border congiomerates be effectively man-aged as coherent companies or are they simply a way to carve Liberalisation within the EC.

ing industrial concentration will undercut this goel.

As European industrial consolidation rolls on, competition policy will become inseparable from trade policy. To maintain competitive conditions European conglomerates will have to be opened to competition from the US and Asia Pacific.

The opening of the eastern European economies may in time alter the international time alter the international division of labour.

What will become of the electronics and computer indus-tries in eastern Europe as cur-rencies become convertible allowing profits to be repatri-ated, property laws are changed to allow full foreign ownership and consumers are allowed access to foreign

goods?
Eastern Europe may offer an attractive location for assembly plants. But cheap labour is not their only attraction. Their economies are inhabited by frustrated engineers and soft-ware programmers with skills to match their Western counterparts.

As yet the safest prediction is that economic and political reform will proceed at different paces in countries with different economic strengths. In the long run it could force west European countries to reassess the basis for their comparative advantage and their attrac-tions to inward investment.

tries – aerospace and con-sumer electronics – exemplify the dilemmas which will face



EUROPEAN HIGH TECHNOLOGY

icy makers in the next few

years. European collaboration in acrospace has a long history, stretching from the Tornado programme, through Airbus industries to the controversial European Fighter Aircraft pro-gramme. In spite of the devel-opment of more sophisticated management structures for European programmes national interests still predomi-

Thus the 25bn cost of the EFA programme is justified primarily by national rather than European criteria. If each of the four nations involved, West Germany, the UK, Spain and Italy developed their own fighter it would cost them £4hn each. So it is much more rational for governments and aerospace companies to collaborate. That way each government pays around £1.5bn to develop the new

But for the taxpayers of the four nations as a whole it would make more sense if they bought the aircraft from one country at an overall cost of 24bn and a cost to each nation

It seems then that collaboration, sponsored by significant state funding, is a way to keep four European aerospace companies in business when there may only be enough work for one or two.

It is not as simple as that.

The governmental backing for Airbus Industrie for example might be justified on the grounds that without it the world would be at the mercy of just one airliner manufacturer, Moreover collaboration has

had significant spin-offs, according to the participants. Casa, the Spanish group argues that the EFA programme has helped to develop indigenous engineering and electronics companies which will live well

Whether or not collaboration and state aid are justified, the industry has reached a turning

The collaborative phase of the industry's development is almost certain to be superseded by a phase of consolida-tion. The emergence of less n a handful of large groups dominating aerospace and thus much of defence will provoke controversy over who will win and lose from restructuring. Consolidation will merely

create new dilemmas as con-sumer electronics shows. The west European industry is Phillips and Thomson. The danger is that Europe becomes so reliant on the prospects of two companies that they become European champions capable of demanding special protection.

erable uncertainty over the market for costly new products such as high definition television and audio-visual compact

The benefits of the protec-tion European industry demands are dubious. Protection in new product areas seems to encourage companies to play second fiddle, waiting for the Japanese to innovate but then clamping anti-dumping restrictions on them once European companies start manufacturing.

Protection not only allows European companies to toler-ate higher production costs but also sanctions a slower rate of product development in indus-tries where there is a substantial advantage in being first with a new product. Beneath this overarching

debate about consolidation, competition and trade policy five other themes run through Europe's high technology industries. Although the scope for

ely national policies is lim-

CONTENTS ited it has not disappeared. In particular, national policies on education and training, and the role of the state

links between universities and Prontiers of production Japan takes the lead industry will be of central importance as the knowledge content of production rises. the West German experience National governments will be closely involved in defence and the battle over HDTV. pharmaceuticals as large cus-

nology will produce new stages of development in the con-sumer electronics and pharma-

Political uncertainty hangs

over defence related sectors and environmental pressure over the chemicals industry.

While the pace of product development may slow in

catch a heavy cold if they

choose the wrong path of tech-nological development. But technological capacity is not

Enough.

Across a variety of sectors technology is becoming more customised. Technological power and sophistication has to be combined with more

attention to customer needs to create a successful product.

For example, in chemicals and plastics companies are

increasingly targetting speciality products which are sold in

terms of what they do for their

increasingly presenting them-selves as systems integrators

and solvers of computing prob-

lems rather than as hardware

growth of personal communi-

cations telecom companies will

have to provide customers

with a more differentiated

range of services.

As a product development

standard setting becomes more cental to determining competi-

Standard setting to protect market position can become the substitute.

■ Technology is becoming

more integrated and complex.

gration is partly techno

es more important so

With liberalisation and the

manufacturers.

nology.

Computer manufacturers are

ceuticals industries.

■ Uncertainty over the pace and direction of product develowerful chips raise s emiconductors: opment is driving companies to reduce risks. It is far from cer-tain that HDTV and biotechsting the co-operation wat

not all bad news

variety of pressures high technology

defence aerospace, it is quick-ening in other sectors such as computers. As Nixdorf and Oli-vetti show it is very easy for a computer manufacturer to a risky business

Editorial production Phillip Helliday

cally driven and partly com

Aerospace manufacturers will have to gain access to a range of new technologies, sophisticated microelectronics computers and new materials developed by chemical compa-

Microelectronic computer controlled systems will be increasingly important in cars, vans and trucks. Points of contact are expanding between computers, telecommunications and consumer durables, with software weaving them

all together. As defence spending falls defence companies will have to develop stronger civil commercial activities to fill in the gaps between less frequent, smaller defence contracts. Even within defence demand will shift to more sophisticated, flexible weapons, which utilise the lat-est advances in software, optical displays, and microelec-

tive advantage.
The international battle over HDTV resolves around stan-However, the failure of computer companies such as IBM to break into telecommunicadards for its format. With the move to Open System Interconnection in computing, which allows machines made by difcompanies to break into computing suggests this technolog-ical convergence may not be best achieved through single ferent manufacturers to be linked up, it becomes more dif-ficult for large companies to protect their position through controlling a proprietary techcompanies but networks of

Those networks will have to extend well beyond Europe. To rise to the challenges facing them Europe's high technology industries will have to be committed to both collaboration



IT TAKES A SPECIAL KIND OF COMPANY TO **HELP YOU SET** THE WORLD ALIGHT.

or maximum effect, Information Technology must address your specific business needs. This requires an understanding unique to one information systems company - ICL. Our total commitment to providing business solutions based on "open systems" has brought us an

A reputation reinforced by our policy of collaboration with many of the biggest names in the IT industry. Our product range extends from PCs to mainframes and our new DRS6000 is widely acclaimed as the "hottest development in UNIX computing."

enviable reputation throughout Europe.

Talk to ICL about open systems for an open Europe now - and avoid the risk of a lukewarm computer solution leaving your company out in the cold. The number to ring is 0344 711154. IIIIIII AN STC COMPANY



Standards mark lines of battle

Consumer electronics and the fight for high definition television

MR ALAIN GOMEZ, chairman of Thomson, the French state owned electronics and defence company, has said that Japan thinks high definition televi-sion will be the Waterloo for the West's electronics' compa-nies. Instead, he intends HDTV to be an Austerlitz.

Thomson and Philips, the Dutch electronics company, both believe that HDTV will be crucial to Europe's technologi-cal future. High definition sets will consume large quantities of semiconductors. They are expected to have applications, such as in personal computers and in defence technologies.

The battle over HDTV boils down to a battle over stan-

dards, in particular the num-ber of lines that high definition sets will have on their screens.
The number proposed by the
Japanese mean that HDTV
would not be compatible with

The battle over high defini-tion television comes in the face of relatively slow growth in the developed world's con-sumer electronics market. Mackintosh says that he expects total sales in Europe to increase by just 5.6 per cent this year to \$41.4bm. He expects

to see similar levels of growth in Japan and the US.

BIS Mackintosh says that growth in Japan will be 5.3 per cent this year, bringing consumer electronics sales to \$26bm. In the US sales are expected to rise by 6.5 per cent to \$26.3bn. Mr Brewerton says most of consumer electronics markets are "pretty well satu-rated, in the developed world, market penetration is close to 100 per cent. In Japan, the US and most of Europe it's a replacement market."

Although some regard eastern Europe as a future area of growth for consumer electron-ics companies, Mr Brewerton points out that eastern European countries are likely for some time to be constrained by shortage of hard cash. Mr Jonathan Drazin,

ficult for western consumer electronics companies to come up with new products capable of expanding the total market. "The question we have to sik in consumer markets, is whether a product is going to change people's lifestyles," be says, "if not it's going to have a hard battle. The Sony Walk-

might be another one."
So will high definition television be an example of a consumer product which will change peoples lifestyles? Is it likely to make sufficient impact to expand the European consumer electronics market

in any significant way?

Mr Drazin believes that by 2000, 10 per cent of those pur-chasing a television will buy a HDTV. This is likely to result in the sale of 1.5m sets. Mr Drazin believes that other pur-

HDTV: Waterloo or Austerlitz for the West's electronics chasers will buy intermediate sets, offering improvements over existing sets but still fall-ing short of full HDTV stan-

Among the improvements on offer will be wider screens and Dataqauest, says it is very difslightly improved resolution. Although high definition sets will use far more semi-conductors than existing sets, Mr Dra-zin believes that by the turn of

Thomson and Philips believe HDTV will be man was an example of a prod-uct which did change people's lifestyles. Cordless telephones crucial to Europe's technological future

> the century less than 1 per cent of semiconductors used in Europe will go into HDTVs.
> Nevertheless, he does believe that HIMV will produce spin-offs by the turn of the century. He points that the automotive industry is using HDTV for sign purpos

Philips and Thomson have made progress in attempting to impose their standard in the US. They have unveiled a

Charles Leadbeater on government contributions

co-operation accord with National Broadcasting Corporation (NBC) of the US to work together on a common stan-

Thomson owns BCA in the US and holds 22 per cent of the American television market. The three partners in the consortium control 33 per cent of the US television market. Such an HDTV alliance is good news for the US electronics industry, particularly as the Bush administration appears to be backing away from govern-ment support for High Defini & tion Television research.

The Federal Communica-tions Commission has announced that it will decide on a transmission system for HDTV by 1991.

It has said that the new system must be compatible with the existing American stan-dard. This would exclude the Japanese HDTV system as it would require television set owners to buy new sets, rather than allowing them to con-tinue using their existing sets.

Don Kirk reports on links between companies and universities in West Germany

Student overcrowding stifles research

IN THE nineties, universities in West Germany hope to profit from a dramatic increase of research in high tech areas such as artificial intelligence and ceramics. A lot will have to change if they do.

Plagued by extreme student

overcrowding and lack of funds, universities have seen more and more technology related research move outside their walls. A few universities have been able to keep hightech at home. In those cases, close co-operation with industry and government funding has been essential.

In Baden-Württemberg, a region known for technology investment, a number of universities have promoted high tech programs. Computer and mirco-technology at the universities of Karlsruhe and Stuttgart focus on CAD/CAM systems, robotics, micro and opto-electronics.

The university of Heidelberg genetic engineering centres. In each case co-operation between university and industry is

High tech research has effectively changed the structure of many universities. In Baden-Württemberg, co-operation with industry is co-ordinated through associated institutes at campus.

Examples of of these "an"

institutes include a micro-elec-tronics institute in Stuttgart, earch Centre of Computer Science in Karlsruhe and Institute for Laser Technology in Medicine at the University

'An" institutes have become a model for the effective tap-ping of intellectual resource and a way to successfully manage technological transfer. To facilitate co-operation, Baden-Württemberg built a referral network for technological transfer at the universities, technical colleges and indus-

Universities regard co-operation with state and other research institutions as an important source of stimulation. Several institutes co-operate closely with the Nuclear Research Centre Karlsruhe Close connections exist with regional institutions such as the institutes of the Fraunhofer Association, the State Agency of Environmental Protection and the Technology

Alain Gomez, head of Thomson: taking on the Japanese by forming an HDTV alliance in the US

Centre Karlsruhe.
Similar projects in other regions include the Walter-Schottky Institute in Munich which co-ordinates chip technology projects with Technical University of Munich and electronics company. An agree-ment between Siemens and the University of Rriangen has established a project called PAP (Projekts Automatisierte Produtionssysteme) to develop miro-systems

In addition, the Bavarian regional government is plan-ning what it considers an exemplarily model of co-opera-tion at the Forschungszentrum The regional government expects a synergy effect in co-operation with universities in Erlangen-Nurnberg, Tu Munich, and the University of

"an" institutes has proven an effective way of co-ordinating short-term co-operation between the university, engi-neering facilities and industry. One Berlin project called BER-KOM (Berliner Kommunikaessystem) developed a multi-functional wide-band communications system as the basis for a high-speed data net-

Berlin universities were the first to make research results more readily available to industry. West Germany's first information system be the TU Berlin and national companies shortened the period of time between a dis-covery and its application. Industrial laboratories (micro electronics, electro technology physics, chemistry and pharmaceuticals) often supply the

The importance West Ger-

arch is reflected by government funding. Most university projects are sponsored by the Federal Government, State Government and industry with about one quarter of the budget coming from institutions other than the Government or contract research. On total, government spending for research and development amounts to DM20bn a year with universities getting

West German universities are supported by research funding from the Federal Research Ministry. Special projects which focus on the envi-ronment, climate research. micro-electronics, biotechnology, materials research and a number areas related to health have gained support by the Federal Research Ministry.

A large portion of research

funding comes through the German Research Institute

sities has dropped consistently. In the last few years the amount which industry pays for university research institutes has grown but so have research institutes

The tide of student protests and strikes last year were a painful contrast to structural changes reflected by West German "an" institutes. The strain on the universities and coleges from overcrowding is enormous. Universities have room for 780,000 regular students against 1.47m matriculated students.

At the same time faculty numbers have slackened. Only ten years ago, there was one teacher for every student at the university level and one to 18 at technical colleges. That number dropped to 1:13 and 1:29, respectively, by 1985. The result for research is catastrophic, Libraries do not have enough books, there is not enough room for the the students to sit and lectures are While a high standard of

While a high standard of research still supports teaching at university, its importance is dwindling as a result.

Last year, state and national governments in West Germany established a DM2bn emergency fund for universities. Better facilities and more teachers are appreciated to help

teachers are expected to help.

The cost of doing "big science" has taken research away from the universities. But they insist important niches remain, particularly in the areas of research and environment

technologies.

The message of the nineties is co-operation. If West Germany universities hope to be more than educators national research institutes such as the Fraunhofer and Max-Planck-Institutes are stressing high tech and co-operation with Industry. Competition for govern-ment funding of projects demands the same of universi-ties.

Still room for the state THE 1960s were the era of state

art from industrial affairs. Will the coming decade witness the evolution of a new consensus about the role and limits of industrial policy? There are wide differences in the instruments European gov ernments use to support and influence industrial develop-ment in high technology.

In West Germany 58 per cent of state support for manufacsions, wth 35 per cent in grants

and 6 per cent in soft loans.

The UK provides 69 per cent of its support through direct grants, only 4 per cent through tax concessions and 6 per cent through soft loans, in France, the soft loans take the largest the soft loans take the largest share of support measures, accounting for 38 per cent, with 26 per cent through equity participation and 11 per cent through tax concessions. In spite of these differences and the diversity of institutions through which government at die shamelled except

ment aid is channelled several common themes have begun to emerge in European

According to a recent OECD report subsidies to manufacturing industries have been cut in most countries. In the UK sup-port to manufacturing has fell from 5.2 per cent of the sector's gross domestic product in 1981 to 2.6 per cent in 1986. In West Germany and

France the reductions have been less marked. Running counter to the trend, government support for industry has risen sharply in Italy, from about 12 per cent of manufac-taring GDP in 1981 to 18.8 per cant in 1986, Greece, from 16 per cent to 17.7 per cent with a marginal rise in Ireland.

Government's remain heavily involved in research and development. The West German, French and British governments in 1985 financed 62 per cent of research and development in the serospace sector. In electrical and electronic industries, the UK and French government sponsored about 30 per cent of research

The OECD's 1989 review of industrial policy in OECD countries notes an emerging consensus over their concerns times, if they are to be successand the actions they deem necessary. It says: "An interna-tional consensus is grainally emerging on a few central ideas inspired by a shared interpretation of the conditions necessary to generate and com-mercialise new technologies."

The most important change is the acceptance that industrial policy has to have an international orientation. The report says: "Firms are finding it increasingly harder to find, within either their own organisations or their own national context the material and intangible resources they need to be competitive in increasingly international markets." Thus a vital part of any national industrial policy must be to promote the participation of companies in world markets.

and international networks



Helstriki: the heart of Finland's job creation

tance that it is not the state's role, through selective aid programmes, to take over from companies the task of identifying growth opportunities. But the verdict of the market can only be accepted as a basic ref-erence point for innovation policies if it guarantees fair competition. Trade policy is a vital ingredient of market-based industrial policies.

European collaborative programmes are taking on a more significant role, partly to fund earch and development, but also to bring large companies together as a precursor for commercial collaboration.

According to a recent book on Europe's high technology industries the various programmes such as ESPRIT and RACE promoted by the European Community fulfill a number of functions.

They have an indicative

planning role similar to the programmes sponsored by the Ministry of International Trade and Industry in Japan. The EC programmes pull together top European companies in an attempt to generate a shared vision of their position within world markets.

They provide a stepping stone towards restructuring markets. Where markets are still dominated by national champion fieldons, collabora-tion between companies can provide a helf way become provide a half way house towards open competition. They have an important role in establishing common stan-dards and sharing expertise in uncertain markets.

However, national policies still count. To realise their potential, companies need access within their immediate environment to a developed business infrastructure of sup-pliers and skilled labour. National and local education and training policies are becoming more significant in determining an area's position within the international division of labour. One symptom of this is the widespread drive to establish closer links between higher education and industry. One of the main forces drivtechnology industries are becoming increasingly depen-dent on intangible assets, such

ing this new policy is that high as software, research and development and skilled work. There are three main doubts There is a widespread accep- about the efficacy and durabil-

ity of this new approach to

industrial policy.

Firstly, one of the traditional aims of industrial policy in the 1970s was to overcome regional disparities in economic performance. In the late 1980s, regional disparities seem to have widened

In the last few years the number of authorisations for office buildings in the Paris region was five times greater than in the rest of the country. By the end of the decade, 80 per cent of the new service sec-tor jobs will be within the Paris region. In Finland 75 per cent of the jobs created in the last two years have been in the Halsinki area. In Switzerland, regional disparities in unemployment rates have reached the levels of 30 years ago.

The factors affecting regional development have altered considerably in the last few years. The basis for regional comparative advan-tage in the search for investment has shifted. International companies are seeking regions with an infrastructure and business environment which will enable speedy adaptation to changing markets — quali-fied manpower, developed busi-ness services, high quality sub-contractors and a social infrastructure and living enviinfrastructure and living envi-ronment which will help to retain important staff

Thus regional economic policles have to be about much more than providing cheap office and factory space, the task of overcoming regional disparities has become harder. Second, industrial policies will have to accommodate new demands in the next decade, particularly over environmen-tal pollution. This is unlikely

to affect significantly some industries such as telecommu-nications and software. However, it will exert a powerful influence over the development of some industries such as chemicals, pharmaceuticals, biotechnology, acrospace and the motor industry.

Third, the disengagement of the state from industrial policy has been far from complete. It has also coincided with a period of steady world growth. if growth slows significantly policy could drift back towards more state support for troubled sectors in the form of protec-

INDEPENDENT CONSULTANTS REQUIRED TO RESEARCH EASTERN **EUROPEAN INDUSTRIAL MARKETS**

This leading international business information company seeks independent consultants to research and prepare reports on Eastern European markets. A wide range of Information Technology, Chemical, Healthcare, Environmental, Instrumentation and Control, and Capital Equipment topics are available.

Continuing assignments will be available for applicants who have trading contacts in Eastern European countries, good English language skills and appropriate product knowledge.

Please write in strict confidence to:

Box No. F9643 Financial Times. Number One, Southwark Bridge London SE1 9HL

CONCORDE CONSULTANCY & MARKETING LTD. SPECIALIST CONSULTANTS IN INFORMATION TECHNOLOGY TO THE USSR

AUTHORISED REPRESENTATIVES for the MODERNISATION of LT. to the BANKING & FINANCIAL Sectors to the UKRAINIAN SSR.

AUTHORISED REPRESENTATIVES to the UKRAINIAN SSRT.V. & RADIO COMMITTEE for MEDIA SALES

DO YOU wish to form a JOINT VENTURE - NEGOCIATE on your behalf-PROJECT your PRODUCT on UKRANIAN T.V. OFFICES: United Kingdom - Ukrainian SSR. CONTACT US on U.K. tel; 0732 463340 Pax; 0732 456211 Telex; 957704 Since the 1970s the percent-age of West Germany's public. The frontiers of high technology production

Japan shows the way COMPETING successfully with Japanese manufacturers has rarely been a matter simply of

adopting their production technology.

For example, some of the images we have of Japanese factories are largely myth. Pro-fessor Yuji Furukawa of Tokyo University says: "Most Japauct information to the de nese companies are not willing tese completes are not wining to introduce a complete unmanned factory. The proper mixture of persons with machines may bring us more added value."

So far, European and US manufacturers have reaped greater benefits from the logic, neatness and order of such Japanese techniques as just-intime production, total quality management, the elimination of waste and so on than from

the huge spending that tech-nology often implies.

But this is about to change.

The reason is the new Japaogy, especially computer inte-grated manufacturing (CIM). manufacturing (CIM).

CIM is one of the most often wrongly applied acronyms in the manufacturing alphabet. In the past, CIM meant buying new applications software for each manufacturing function and new boxes for the applications to run on. The theory was that lashing all the boxes together would allow the func-tions to use common files. The way is that all the boxes had to come from the same supplier. Worse, if any of the applica-tions software came from someone else, out it went as incompatible. IBM was the largest of many suppliers of such systems to discover that in the last year or so, how-ever, the international stan-dards movement and chip technology have conspired to make CIM both accessible and worthwhile. IRM's launch of its multi-vendor CIM Architecture is just the largest of many signs to reinforce the message that integration can be achieved

you already have. Mr Furukawa says Japanese companies will integrate rapidly over the next five years. They are particularly keen to link their design, manufactur-ing and sales systems. Why? survey last year showed that Japanese companies have managed to reduce labour costs to 3 to 5 per cent of production across industry, from

gradually by building on what

the making of domestic electri-cal appliances to internal com-bustion engines. Indirect costs, however, are 8

per cent or more. Mr Furnkawa says automating the overhead functions in a company through the provision of a can-tral database reduces costs. More important, linking prodand manufacturing activities in a company provides rapid kets to the design department. Mr Furukawa says such systems are more akin to office automation than CIM. But exist in Japan."

There will be many more. Japan's Ministry of Interna-

CIM is one of the most wrongly applied acronyms in manufacturing

tional Trade and Industry is running a \$1bn, 10-year pro-gramme to start development of world-standard CIM systems. Miti and its collaborators hope these will be devel-oped by Japanese, US and European governments, indus-tries and academia.

standards are the key to inte-gration. The adoption of standard operating and communi-cations systems allows the interconnection of a multitude of computer-based systems that would otherwise be incompatible. Japan has built the world's largest and most comprehensive centre for testing factory communications systems to conform to interna-

tional Open Systems Intercon-nection (OSI) standards. Europe has led in important aspects of CIM standardisation. Two projects under the ECfunded Esprit programme are establishing standards in CIM architectures and communications. Ten European companies have got together in an Esprit project to develop generic manmacturing planning and conms software. A group at Polytechnic South West in Plymouth has developed a uni-fying computer aided production management system, Stratagem, which is a market-

Providing standards-based

systems is only part of the bat-tie. The supplier of, say, the

able product.

unlikely to be the supplier of the best data-collection systems. But you need to know how many red cars you are making each hour and, more important, what faults they are This may mean collecting data from the paint shop and

the inspection process and presenting it to a supervisory stem for analysis. Is the supplier of the supervisory system the inspection system or the paint-shop system responsible for this? If the systems cannot he made to work together, who puts them right? Who pays?

Internal integration is only one issue. The adoption of just-in-time deliveries of com-ponents and finished goods has made it equally vital to integrate the supply chain and the customer. JIT supplants weekly deliveries of 1,000 components with five daily lots of 200 to the line. This m the number of despetch notes and invoices by five times. Better to cut out the paper and send delivery and other data by computer over electronic data interchange (EDI) links. There are those who say CIM

not really about computeris-Mr Tracy O' Rourke chief operating officer of Rockwell in the US, elevates CIM to a business philosophy: "Hanging a bunch of computers on there is not going to change anything," He says companies adopting CIM have to change the way they think about responsive-ness, flexibility and delivery

Mr Furukawa is sure that: Human ideas and capability can add more value in the indi-vidualised and customised market of the 21st century than unmanned factories.*

This means 19th century attitudes to the labour force have to be rethought. There are signs of this happening. Jaguar, Rover and IBM for example are struggling towards Mr Furukawa's proper mixture of people and machines in team working pro-

Perhaps CIM stands for Co-operation in Manufacturing.

John Dwyer The author is editor of

Advanced Manufacturing, the Financial Times newsletter

tion televis

battle

e state

GETA HEAD START ON EUROPE WITH FRANCE TELECOM

Europe will be full of opportunities. And France Telecom is ready today to help you meet the challenge head on. Connecting with France Telecom means accessing the world's most digitalized phone system. The largest packet switching data transmission network. The world's most extensive videotex system. And fully operational ISDN. Whether you need leased lines, private or public networks, satellite links or fiber optic cable connections, we're ready with our European

partners to develop the most efficient and cost-effective solutions to your communication needs. Bring a new dimension to your business with, France Telecom. Where tomorrow's Europe is taking shape today.

Toll Free from: West Germany United Kingdom Netherlands Italy Spain

0 130 81 00 24 0 800 89 80 69 06 022 74 47 167 87 000 4 900 99 33 02

FRANCE TELECOM
NIERNATIONAL

Alan Cane examines computer prospects

Shaken by changes

THE DECLINE in the fortunes of Norsk Data of Norway and Nixdorf of West Germany and poor results from Groupe of France and Olivetti of Italy are grim evidence that Europe an-based companies are as sus-ceptible to the changes shaking the worldwide computer industry as their US competitors.

The European computer market is still growing strongly compared to the US but the landscape is changing irrevocably. Two months ago, Nixdorf, once a shining exam-ple of West German entrepreneurial zeal, gave up trying to remain independent after two years of heavy losses and was acquired by its larger compa-

The result is Siemens Nindorf Information Systems, second in Europe to US-based International Business Machines, the world's largest computer manufacturer. Olivetti, at one time seeme

the only European company with truly international potential through its innovative minicomputer and personal computer strategies, declared a 40 per cent decline in first-half pre-tax profits to \$72m with sharply lower earnings expec-

The company, under the direction of Mr Vittorio Cassoni who recently returned from a secondment running AT&T's US computer operations, has undergone a corporate facelift. Three divisions, one dealing with office systems one with business computer systems and a third handling software and services have been established. Analysts are hopeful that the com-pany's performance will show substantial improvement in

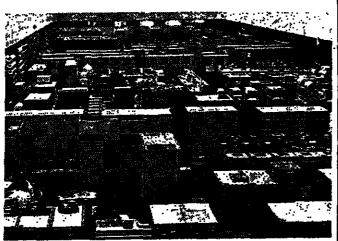
the current year. Norsk Data, another star performer fallen on hard times, reported a full year operating loss of some £32.8m. The company has instituted a strict half losses were less than in the first half.

Mr Erik Engebretsen, ND chief executive, who took over from Mr Rolf Skar the founder, said he believed the company had turned the corner in the second half of 1989. Analysts were less convinced and are waiting to see how effective ND's new strategy of systems egrator rather than manu-

facturer will prove. Groupe Bull last month reported a net loss of FF1267m for 1989 compared with a pre-tax profit of FFr308m the year before. It had unexpected man-ufacturing problems and took a FFr405m provision for restruct-

During the year, the com-pany acquired the personal computer division of the USsed electronics manufacturer Zenith, giving it a new strength in workstations and a more comprehensive geo-graphic distribution. With the Zenith unit, the US represents some 30 per cent of Bull sales compared to only 16 per cent

International Computers



ICL's computer hall at Bracknell

(ICL), the UK's largest computer manufacturer which is now a subsidiary of the tele-communications group STC, provided some cheer in an oth-erwise dismal year for European computing. Its revenues grew to £1.60n with over £1bn of that coming, for the first time, from the UK. With profits of £145.7m, it is one of the world's more profitable comiter companies, a tribute to its strategy of concentrating on niche markets such as retail which use medium computers linked together in standard

There has been intense sno ulation, however, that STC might sell ICL or seek a part-ner for it to help defray the huge research and development costs which any compa which expects to remain at the leading edge has to bear. Sun Microsystems of the US, Olivetti of Italy and Fujitsu of-Japan have all been linked with ICL.

Mr Arthur Walsh, STC chairman, has made no secret that ICL is in talks with potential partners, but no front runner has yet emerged. Last year, STC raised its investment in research and develop 28 per cent to £271m. earch and development by

Last year was a poor year for almost all the world's com-puter manufacturers; IBM saw its profits sharply reduced; Unisys and Digital also suf-fored

There are a number of rea-sons. Chief amongst them are a move among customers away from large, expensive machines — especially minicomputers — towards smaller, lower cost computers which can tackle the same jobs.

There is some pressure, espe-cially from governments, towards systems which use the standard operating system Unix, developed originally by AT&T. Failure to move quickly enough to Unix based systems hurt a number of European players including Norsk Data and ITL, a small UK manufacturer, acquired by the UK workstation specialist Apricot. Against this background, the next two years will clearly be a period of profound challenge for Europe's indigenous manu-

 US and Japanese computer companies are aggressively seeking market share in Europe. Japan is now, for the tively in most areas where there is growth, especially high end mainframes and high powered workstations. • The advent of the single market after 1992 presents a

new challenge for companies used to selling almost entirely locally. Siemens, for example the largest and potentially most effective of European computer manufacturers, is still heavily dependent on its West German market. The US and Japanese companies are used to selling internationally. • The newly available mar-kets of eastern Europe represent a substantial opportunity for all information technology ies but raise importa question of operation and

The relaxation of Cocomrules relating to the level of technology equipment which can be exported to eastern Europe now seems certain if only because the inflexible aucracies of the e need a measure of automation to work effectively with west-ern governments. Groupe Bull is setting up a joint holding company with the Hungarian electronics group Videoton. ICL has signed orders for systems for banks in Poland and for Leningrad city council. There is a further, fundamental difficulty and that is the level of sophistication to be found in the industry's custom-

The slow-down in the US is believed to be due at least in part to an unwillingness on the part of customers to invest fur-ther in data processing equip-ment without better ways of measuring the benefits.

As a recent Confederation of

British Industry study shows, there are differences between countries. The French look for improved customer service, the West Germans, staff productivity, the British, managerial effectiveness, the Italians, office automation. The industry has a long way to go in understanding its customers, but therein lies the key to

renewed growth.

Software is increasingly important to the computer industry, says Alan Cane

Powerful chips raise the stakes

THE SOFTWARE and services sector has become the new dynamic for growth in the European computer industry. Hardware, physical computer systems, is rapidly becoming a commodity as every more powerful silicon chips push down price and raise performance. The services sector has grown in importance. Most analysts believe that software and services growth rates in

most European countries are at least double those of hard-Merrill Lynch, the securities company, for example, esti-mates that the compound average growth rate for Europe between 1968 and 1992 will be 20 per cent. Merrill Lynch says: "We predict that by 1992, the hardware/software ratio in Europe will have inverted, moving from 60:40 in 1968 to

The consequence is that hardware companies are trying to protect revenues and profits by shifting an increasing pro-portion of their effort into services. International Computers (ICL), for example, the information technology arm of UK-based STC, derives 47 per cent of its revenues from software and services while only a few years ago, it was essentially a hardware company. Existing services companies omies of scale.

The European computing services market place, valued at \$20bn is highly fragmented with no single company claiming more than a 5 per cent market share.

Computing services is a catch-all expression for a range of activities, all quite different from one another, with only computer systems as their common element. It includes tailored and packaged soft-ware, consultancy, facilities management, bureaux services, recruitment, leasing and finance, disaster recovery and maintenance. These are essential to the development of effective information techn

The aim for many of the larger companies such as Cap Gemini Sogeti (CGS) of France, SD-Scicon of the UK or Volmac of the Netherlands is to gain recognition as a systems inte grator, putting together soft-ware and hardware systems from a variety of suppliers. Prerequisites for prime con-tractor status include a proven

track record in large project management, financial stabil-

have to defend their market share against encroachment the leading European computing the hardware makers. Some are pursuing policies of merger and acquisition to world market by 1992. It has 10 per cent of the

French market, 5 per cent of the European market and I per cent of the US market. It has grown historically at about 25 per cent a year.

There is a broad consensus that during the 1990s, the number of computing services companies in Europe that could reasonably claim to be systems begrators will shrink through mergers and acquisitions.
European computing services companies, with the exception of CGS, are small compared with US companies such as Electronic Data Services (CDS) with an extension

vices (EDS) with an estin 1989 turnover of \$5.4hm, Automatic Data Processing (ADP) with \$1.7hn and Comp ences Corporation's \$1.5bm. There are no European co titors for the large US packed software compan as Microsoft which turned over about \$770m in 1969. Two broad themes are run-

ning through developments in the European industry. First, the move to common in standards, represented by Open Systems Interconnection (OSI) which makes it possible

ent manufacture and the Unix system which makes it possible to run the same software on different makes of computer. European computer companies have been very much in the van of the move to com-

mon industry standards, seeing them as a way out of the domi-nation by US manufacturers with proprietary products. The move has been driven to a large extent by governments sion which, have been among the first to object to the costs

involved in machine and software incompatibility.
As the bandwagon has gathered pace, so the large US companies have come back into the reckoning. X-Open, a leading international organisation dedcated to the promotion of open standards, has its origins in Europe, its president, Mr Geoffrey Morris was formely with ICL. But the campaign to stablish Unix as the standard operating system for small and medium-sized computers has

degenerated into a battle between two US-led camps, Unix International supporting the latest version of AT&T's Unix and the Open Software Foundation, a development organisation which backs Aix, International Business

software manufacturers, seemingly forced to choose between the two standards, is that agreement can be reached on an interface - a set of connec-tion rules - called Posiz which fits between the operating system and an application

rogram. An equally sharp row has developed in the past few months over a draft EC directive designed to protect soft-ware copyright. Nobody is against the prevention of software piracy which is costing software producers many millions of dollars every year. The estion is where to draw the

The Brussels directive includes software interfaces and so would allow manufacturers to control the rules for the connection of other software to their systems.

The European Committee for Interoperable Systems, which includes Bull, Olivetti and Amstrad argues without the right to analyse or "reverse engineer" interfaces, large companies such as IBM and Digital Equipment will be given a substantial competitive advantage.

The Software Action Group for Europe is equally adamant that without adequate legal protection, software developers The best hope for European

Michael Skapinker on the battle for the semiconductor market

Testing the co-operation water

een several skirmishes, alliances, and strategic retreats in Europe's increasingly desper-ate battle to retain a footbold in the production of computer

In January, Siemens of West Germany and International Business Machines of the US announced that they would work together on the development of 64 megabit memo as much data as those most commonly used today. The agreement is significant

for the way in which it links a large European company with a large American one. European and US semiconductor manufacturers have in the past found it difficult to unite to resist threat from the overwhelmingly dominant Japanese semi-conductor producers. Western Europe and the US each have an industry consor tium designed to preserve some role for themselves in the

chips. Sematech, the US semiconductor industry consortium, and the Joint European Submicron Silicon (Jessi) project

one another. The European consortium had rejected attempts by IBM and other American companies to become members of Jessi on the grounds that European

ies which manufacture in the US had not been accepted as members of Sema-tech. The board of Jessi has, however, invited IBM to put forward proposals for co-opera-By deciding to focus on the development of the 64 megabit dynamic random access mem-

ory (D-Ram) chips, IBM and Siemens are attempting to ensure that they have a place in the semiconductor market of the second half of the 1990's. The D-Ram market is domi-nated by one megabit devices. Both Siemens and IBM began production of four megabit D-Ram's last year and the two companies are working inde-pendently to develop the 18 megabit D-Ram.

follows the collapse of one American attempt to ensure that the US retains some presence in the manufacture of

have refused to co-operate with one another. was to have produced four megabit D-Ram's in an effort to reduce dependence of the US puter industry on Japanese

The US Memories project col-lapsed when it failed to gain financial support and a prom-The second new attempt by European semiconductor man-ufactures to remain in the D-Ram market came in Janu-

ary when the European Com-mission published an agree-ment with 11 Japanese nemory chip manufactures. The agreement followed complaints by European manifecturers that Japanese semi-conductor companies had been selling D-Ram in the BC at brices lower than the cost of production. An anti-dumping investiga-

tion carried out by the Commission found that the input of low priced Japanese D-Rams resulted in Japan's unit share 24.6 per cent in 1983 to 70.5 per cent in 1987, peaking at 81.1 per

cent in 1996. The commission said that it was essential that Europe's was preserved. It said that European companies would find it difficult to manufacture more advanced semiconductor devices if they did not remain in the D-Ram market.

The commission added that the semiconductor industry was a strategic sector for Europe because it provided important components for the and motor industries.

The Commission said that it was aware that some users of D-Ram's in Europe might object to an agreement which raised the price of memory chips. For that reason the Commission agreed minimum prices with Japanese manufac-turers which, it contended, would interfere with the market as little as possible. The minimum prices would be based on the weighted average cost of the manufacturer's, with the weighing done on the basis of each Japanese pro-Community.

The Commission said that because the producers with the lowest cost tended to have the highest sales in Europe mini-

mum prices were likely to be lower. The minimum price allowed the producers a 9.5 per cent profit margin on the cost of goods sold. The European Electronic Components Manupointed out that this agree-ment would even allow high cost producers to dump chips on the European market, by selling them at prices below that of the cost of their produc-

- 1 (° 1 €

【】 [] (

die

cessions to users of computer chips. The Commission said it would review the effectivene of the agreement in September 1991 when a semiconductor agreement between Japan and the US ends. The Commission added that new generation products could be imported into the Community at prices below their cost of production for a certain, unspecified, period. There would be no minimum price for sample prod-ucts. Each producer would be able to provide each customer with 1,000 samples at below the

None of these concessions have mollified Europe's computer producers and other D-Ram users. Mr Bruno Lamporate planning at Olivetti, the talian computer manufac-turer, says that because the Commission will only review minimum prices quarterly, they might not be able to keep up with the market. He pointed out that memory chip prices can drop very rapidly. He said that the number of samples that could be provided at below the minimum price was far too

Peter Marsh looks at biotechnology

Criticism grows in Europe

AN IMPORTANT test case in determining the regulations for controlling biotechnology in Europe's higgest chemicals and pharmaceutical market takes place in West Germany later this year.

in April, plans by BASF, the large West German chemical group, for producing small quantities of a new biotechnol-ogy-derived drug will be scru-tinised at a public hearing in

Ludwigshafen The hearings, part of the legal process necessary in Ger-many before biotech factories can proceed; will test the level

THE MANCHESTER

of public opposition to a range of techniques which in West Germany over the past two years has led to controversy. Biotechnology is a set of sci-entific methods for rearranging genetic material in biological generic material in usological fragments. The goal is either to produce chemicals, such as drugs, or to alter the character-istics of plants so as to increase their resistance to dis-

It is extremely difficult to judge what blotech will mean to industry over the next decade in financial and product terms. While in the early 1960s many had high hopes that the technology would, in particu-lar, produce highly exciting new drug treatments, there is

much less optimism today. Many of Europe's large chemicals and drugs compa-nies are spending large sums in building up their research expertise in the technology. In the forefront of these moves is Hoffmann-La Roche, the Swiss pharmaceutical com-pany, which a few weeks ago agreed to buy for \$2.1bn Generatech, a leading US bio-

tech company.

A number of smaller, more specialised, businesses in Europe are developing ideas in the technology for specific applications. Among these groups are Belgium's Plant Genetic Systems and the Agricultural Research company in the UK, both examining biotech methods to aid crop growth while Celltech of the UK and Denmark's Benzon Pharma, are looking at drug

applications. However, in West Germany plans of this kind have run into problems. In Germany more than anywhere else, developments in blotch have led to fears that scientists could unwittingly produce genetically-altered organisms that might prove dangerous. One scenario pointed to by anti-biotech lobbyists is that such organisms and likely and pressures and likely likely and pressures and likely likely and likely likely and likely such organisms could "leak" into the environment, perhaps colonising parts of humans or animals and cause widespread

upsets to ecological systems. In spite of complaints by scientists that such fears are unjustified, the weight of pro-tests from blotech pressure groups in West Germany have led to a virtual ban on starting production plants for making products using biotech meth-

Hoechst, the big West German chemicals group, was affected by a court ruling last stopped it proceeding with a scheme to start up a biotech-derived human insulin factory in Frankfurt.

The negative climate for bio-tech in West Germany has caused concern in the country's drug and chemicals indus-

Raucon, a Dielheim-based company of biotech consul-tants, complained in a report last year that the developments are threatening to "choke" German work in this

Executives at BASF fear that their company will be the next to suffer. BASF wants to build its plant in Ludwigshafen to produce pilot quantities of tumour necrosis factor (TNF), a drug based on a naturally occurring protein that could help cancer treatment. Dr Hans Uwe Schenk, head

of life-science research at BASF says the lack of clear legal guidelines in Germany governing biotech creates obstacles for companies such

obstacles for companies such as BASF.

"The main difficulty is the uncertainty," says Dr Schenk, who in July takes over as the head of Knoll, BASF's pharmaceutical subsidiary. "We have no way of knowing how long the approval process for hiotech factories is likely to take."

Partly because of the warries. Partly because of the worries about the lack of a legal framework, BASF, together with Hoschst and Bayer, the other with the West Guerre. big West German chemicals group, is going shead with plans to bese much of its hio-tech research in the US. "Pub-lic acceptance is better in America," says Dr Schenk.

ernment has promised a new federal law related to genetic engineering. But unless this is squeezed in before the general election in West Germany later this year it seems there will be a long delay before the law is

enacted.

In the longer term, drug industry managers both in West Germany and elsewhere believe they will get powerful benefits from the new technology, assuming the kind of environmentally-related problems that surround the field in Germany can be resolved. many can be resolved.

Only about 1 per cent of the world's \$1300n a year sales of medicines comes from blotech products and many analysts are cautious about predicting the rate of increase over the part few years. next few years.
That follows the line of a

recent report on biotech from Arthur D. Little, the US technology consultants, which warms industry not to expect too much from the technology.



working on new products and righ technology projects. activity. Contact Ross Kinneir

Telephone 0272 554376 0272 540915



BUSINESS CONSUMER 11&12 July 1990, London



For information please return this advertisement, together with your business card, to:



Financial Times 126 Jermyn Street, London SWIY 4LLI lephone: 01-925 2323

Conference Organisation Telex: 27347 FTCONF. G Telefax: 01-925 2125

Chrysalis offers the ultimate "design & build" headquarters location at Salford Quays, Manchester. ☐ Salford Enterprise Zone □ 50,000 ~ 200,000 sq ft High tech or traditional construction ☐ Production facilities through to high profile offices ☐ Enviable communication links Sole agents **MacDonald** Gregs Buildings, I Booth Street, Manchester M2 4DU.

Tel: 061-833 0023.

IDAY MARCH

Who will nourish the seeds of tomorrow's technologies?

The handmaiden of every new

technology is risk. There are no guidebooks to the

New. Success or failure often hinges on instinct, and

the willingness to invest in a belief.

■ Decades ago, Motorola committed millions to an emerging technology

These superpowerful MC68HC11 microcontrollers made in East Kilbride are destined for a host of applications, from camerus to automobiles

that many dismissed as a gimmick. Today, cellular phones

are used in more than 40 countries. And, we produced

the first hand-held cellular portable

phone. In 1989, we introduced the

Motorola Micro T•A•C

Personal

Telephone, shirt-pocket small, with a

fraction of the parts of the original cellular

phone. These developments, along with others, are the product of an annual R&D investment

more than twice the world average. Such is the measure of our belief.

Building On Beliefs



Motorcia and Micro TVA-C are tradements of Motorcia, Inc., @1990 Motorcia Ltd.

Telecommunications markets are opening up, says Hugo Dixon

Prepared for rapid change

seems set for another decade of breakneck change in the 1990's. The three factors which will drive developments are deregu-lation, technological advances and the opening up of eastern

European markets.

After a year of wrangling, the European Community's governments agreed last December on a directive to unications services markets. This compromise envisages free competition in data communications - including basic data services – from the beginning of 1993. Competition in value added services – such as electronic mail and the provision of electronic data bases

 will start later this year. The services directive complements a directive opening up the terminal equipment market, which came into effect

Further EC moves include the agreement earlier this year to open public procurement of telecommunications infrastructure to competition. Traditionally, public telephone operators (PTOs) have bought equipment from favoured national champions.

The Commission has also acted against a price fixing recommendation for leased

EUROPEAN tele lines employed by CEPT, the club of Europe's telephone operators. CEPT withdrew its recommendation earlier this year following a decision by the Commission that it was restricting competition.

Later this year, the Commission is expected to publish its long-awaited policy paper on satellites. It seems likely to propose that satellite links should be treated in the same way that other telecommunications links are from a regulatory point of view. This would mean that anyone would be able to provide data services by satellite. The EC is working on a second directive on terminal equipment. This will con-sider whether the licencing arrangements for telecommu nications equipment should be

On a longer time scale, the Commission is examining the prices of telephone services vithin the Community. It is concerned that it costs, on average, between two to three times as much to make a phone call across borders as it does to make a long distance national call.

Moves towards deregulation are being initiated in the mem-ber states. France and West Germany have adopted the UK's model of having two competitive mobile communications network operators. The UK last year went a step fur-ther and licensed three new personal communications networks - to compete with the two existing cellular operators and British Telecom's fixed

The French government is working on new legislation to spell out precisely which areas of the telecommunications market are France Telecom's monopolies and which open to competition. The anron strings which bind FT to the French Government are being untied, with the aim of enabling the company to become more dynamic and entrepreneurial.

Later this year, the UK government embarks on a review

of its telecommunications pol-icy. It will examine whether BT and Mercury Communica-tions should face more competition in providing basic tele-communications and whether BT should be allowed to put television down its network It is clear that the deregulation genie is out of the bottle

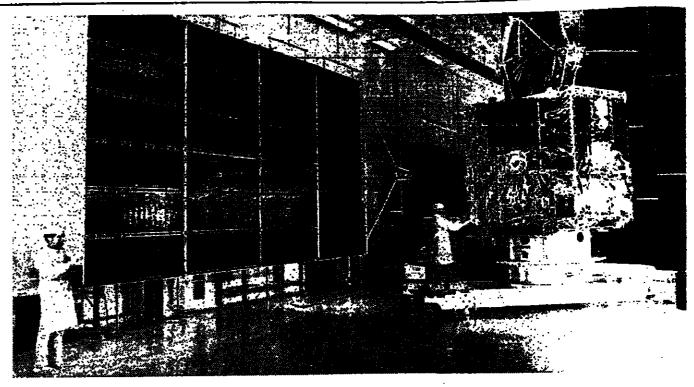
As each country has pressed ahead with its own liberalisation plans, it has become more difficult for others to maintain their traditional monopoly structures. This is partly because the lobby of business users is becoming more vocal. Large multinationals have experience of free markets in one country demand similar treatment elsewhere or threaten to move their offices. The structure of the Euro-

nfacturing industry seems fairly stable after many years of reorganisation. There are three main indigenous groups: Alcatel of France: Sigmens of West Germany, which has a 40 per cent stake in Britain's GPT; and Sweden's Ericsson. AT&T last year gained an important foothold in Europe following its alliance with Italy's Italtel.

In spite of the EC's directive, it is unlikely there will be a burst of competition between these groups in the public switch market. The PTOs have chosen their suppliers and are unlikely to want to review these decisions until the end of the century.
Vigorous competition, how-

ever, can be expected to supply the PTOs with special features, transmission equipment and overlay networks. Competition will come not just from the traditional switch suppliers, but from other companies in the electronics industry.

Over the next five years, Europe's PTOs will start con-verting their systems into and France's SAT. nt networks. This will involve adding a series of



The French DBS satelifie TDF-1, built by a consortium from France, West Germany and Belgium

sophisticated data bases. Computer companies such as Tan-dem and Digital, of the US, are likely to be in this market. On the transmission side, the first cross-border alliances are being announced. One of the first was consummated last year between Britain's STC

A leading question on the transmission side will be how quickly the PTOs invest in pro-

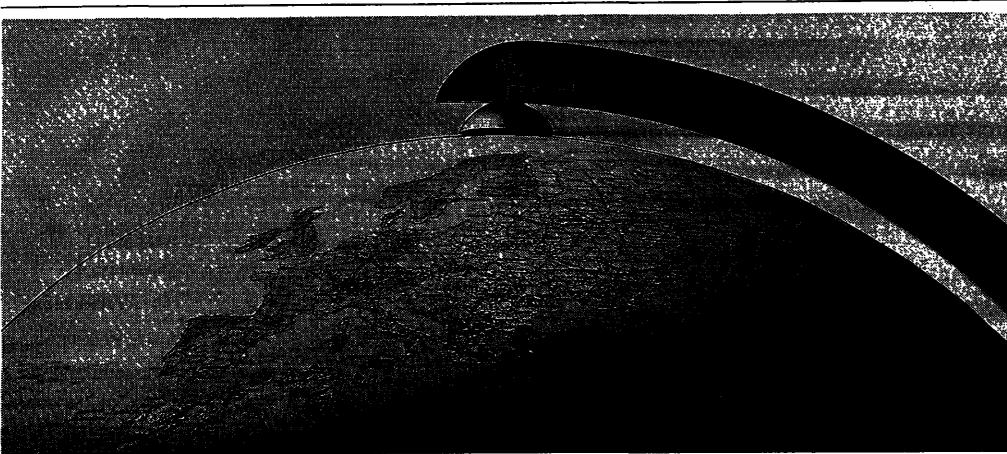
viding fibre optic links direct to their customers. This will be determined by economics and by regulations. If for example, BT delivers TV down its net-work, it will be more attractive

Mobile communications are the fastest growing and most important overlay networks. The pan-European digital cellu-lar systems are due to start next year. Personal communi-

cations networks could begin in the UK in 1992. Political changes in eastern Europe provide another exciting opportunity for Western telecommunications manufac-turers. The telephone networks

in eastern Europe are underveloped and the local manufacturers lack the necessary technical and financial resources to modernise them. There is likely to be vigorous competition between the main Western manufacturers to form alliances with manufac-turers in the East and to supply equipment.

Hungary and Poland are looking at radical options for abandoning the monopolies held by their PTOs. This may offer opportunities for Western PTOs to take part in rebuilding and managing eastern



Taking the lead in tomorrow's Europe.

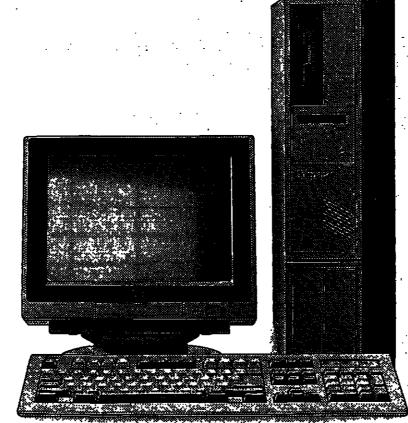
One company is taking the lead in tomorrow's Europe, incorporating the latest chip technology in their newest range of high performance microcomputers.

For the past decade, Tulip have been setting the standard for performance, price and reliability and now the 80386 and 80486 provide the perfect platform for advanced computing in the 90's. (The 80486, for the technically minded, integrates an 80386/25, an 80387 computing IC and an 8Kb cache including cache controller in one chip.)

Whether your IT needs are for a network fileserver, CAD, DTP or any other processor intensive application, Tulip's extensive range of 386/486 systems provides an innovative solution.

So, if it's important for you to be competitive not only today, but in tomorrow's Europe, invest in true European technology, Tulip Computers.

For further information on the 80386, 80486 and the complete range of Tulip microcomputers simply fill in the coupon and send it to Tulip Computers, Tulip House, Satellite Business Village, Fleming Way, Crawley, West Sussex, RH10 2NE or alternatively fax it to (0293) 553307 or call our Sales Support Department today on 0800 521146.



Name			
Сотралу			
Address	· · · · · · · · · · · · · · · · · · ·		_
	Post Code	Tel:	PT 20/3/90

Tulap computers The name for European quality.

DEFENCE ELECTRONICS

Fewer but bigger orders

diminishing military threat emanating from the Soviet Union and its allies is not all bad news for defence electronics companies in western

Europe.
Together with the outlook for military budgets in the industrialised world, which were tight and getting tighter, it implies changes in the nature of the business and the way they position themselves

The emphasis on advanced electronic systems will not diminish, and should actually increase if the trend is to be towards small but high-quality

armed forces.

Companies involved in the £22bn European Fighter Aircraft, for example, argue that the case for a high-perforreinforced even if fewer are purchased than originally planned. Some areas of technology

will benefit from the switch in priorities: defensive systems generally and surveillance systems in particular.

Arms control agreements as complex as the conventional forces deal under negotiation in Vienna will create their business in verification mea-

A diminution of opportuni-ties in the defence field, partly a result of greater integration of weapon systems, which means fewer but bigger pro-jects, has been hanging over the industry for some time. Large chunks of it have changed hands in a battle to obtain dominant positions in

specific areas of the business. The radar and communications divisions of the UK's Plessey went to Siemens of West Germany. Plessey's underwater and avionics businesses went to GEC.

The bulk of Philips of the Netherlands' military activities Netherlands mining accounts has been bought by Thomson-CSF, the French state-con-trolled group. Philips' Swedish offshoot in the same field was picked up by Bofors. Messer-schmitt-Bölkow-Blohm, West Germany's main aerospace and missile company, was taken over by Daimler-Benz, which had a significant share of the

nau a significant state of the country's military electronics. Short Brothers of Belfast, involved in some high-technol-ogy areas of missile systems and composite materials, was taken off the British Government's hands by Bombardier of Canada. Now Ferranti International,

in desperate straits after alleg-ing it was defrauded of £215m, is to sell its core radar and electro-optics operations to GEC, reinforcing the latter's domination of what has up to now been a widely-dispersed UK industry.

This consolidation has been mostly within national bor-ders, but cross-frontier group-

ings are starting to emerge. British Aerospace and Thomson-CSF have broken new ground by setting out to merge their guided weapons activities into one, jointly-owned company, to be called Eurodynam-

BAe had already agreed, for the first time, to use a French guidance system for an air-to-air weapon, and GEC-Marconi made a parallel agree-ment in the same sector with Thomson-CSF's rival, Electron-

The rationale behind the missile group is to ensure a hold on a broad range of important technologies, so as to be in pole position to head up weapon projects, and to pro-vide in-house funding for ever-increasing research and development costs. BAe, for exam-

tion called Merlin but has had to fund it without government backing. Individual European countries, the argument goes, do not provide sufficient markets to justify the R & D expenditure contractors need to compete with US companies and, as they move more into mili-tary fields, the Japanese.

ple, places high hopes on a new "intelligent" anti-tank muni-

The US Department of Defence has identified technology areas of military use in which European companies may have some distinct advantages - including integrated optics, parallel computer archi-tectures and air-breathing propulsion - or be able to exploit niches, for instance in high-

power microwaves. Cross-border corporate links and collaboration agreements can be expected to multiply, while the first moves are under way to establish something akin to an open market in armaments between European

Nato countries. This has happened in a small way between the UK and France, especially in subsystems. For instance the new British tank proposed by Vick-ers includes, for the first time, a French sight.
France, the only European country with a defence sector

The emphasis on advanced electronic systems will not diminish

comparable to the UK's, but much more state-run, has transformed itself into a fer-It has been the main inspira-tion behind the 12-nation Euclid project for collaboration in defence research, which sims at creating "poles of excellence." Individual countries have been assigned "pilot" roles for work in priority sectors, such as the UK in electric guns, with the aim of using government research funds better.

However, it relies on these national funds and does not have a central pot of money of its own as the French wanted. Industry has to carry part of the burden. It is therefore quite distinct from the Eureka sys-tem under which companies can present projects to obtain

In the UK, meanwhile, the bulk of the Ministry of Defence's research establishments are being regrouped under a Defence Research Agency, designed to exercise greater autonomy, establishing a clearer customer-supplier relationship and taking on outside business to make better use of facilities.

The new status may enable the research centres to stem the steady outflow of qualified staff to better paid private-sec

> **David White** Defence Correspondent

MAY MARCH ZA

EUROPEAN HIGH TECHNOLOGY 7



Chemical producers want to rid themselves of the old smokestack image

Peter Marsh looks at the chemicals industry

Shift in emphasis

MANY of western Europe's chemicals producers are trying to jettison their image as old-fashioned, smokestack manufacturers and recast themselves as among the leaders in high-tech industry.

Behind this move is the gen-

eral reshaping of the chemicals business in which customised, research-intensive products take on greater importance.

The modern international

chemicals industry took shape in the late 19th and early 20th centuries in Europe. Germany, Britain, Switzerland and Belgium were the most important centres for innovation.

Since those days the empha-sis in the sector has gradually shifted away from production of high-volume materials such as standard plastics, artificial fertilisers and industrial chem-icals such as sulphuric acid, soda ash and sodium hydrox-

Such materials are still required in large volumes, and when general economic growth is strong, as has been the case for most of the late 1980s, demand and prices are suffi-ciently high for the substances to make good profits for their

Most chemicals producers believe the main growth areas for the sector over the next stances which command rela-tively high prices. New research ideas in fields such as biotechnology and materials science will become increas-ncy important

ingly important.
A vital part to this shift is the idea of chemicals suppliers moving close to customers and working in tandem on projects which concern the transfer of technological know-how as

well as of raw materials.

Many of Europe's big chemicals companies, including ICI,
France's Rhône-Poulenc, and BASF and Hoechst of West Germany, are trying to organ-ise themselves increasingly

around such a philosophy.

Perstorp, a Swedish speciality-chemicals maker, exemplifies the general trends, although it can fairly claim it has been following these for rather longer than many of the glants.

The company has been aiming its products at small, niche markets for virtually all the period since it was formed late last century. "We try to sell our products

we try to sell our products not in terms of specific chemicals but what they do for the customer," says Mr Karl-Erik Sablberg, Perstorp's president.

Perstorp gains roughly half its SK6.4bn annual sales from three product areas based on formaldehyde chemistry — polyalcohols for use as paint

materials account for world sales of about \$25bn a year, a figure growing by about 8 per Mr Wilcock attaches special

engineering plastics. These

importance to the car sector. He says Dow is working with a number of big manufacturers such as BMW, Flat and Volkswagen to study use of the materials in specific car

By following the trend towards more specialised types of materials, the plastics indus-try reckons, it should be able to insulate itself from broad ups and downs in economic conditions which mainly affect demand for commodity prod-

ucts.
The move should fit in with the gradual switch towards more varied, customised goods in many of the businesses which the plastics sector serves, not just in cars but in areas such as construction, packaging and consumer

goods. Much of this refocusing of links with the outside world

links with the outside world fits in with the drive by hig plastics groups in the areas of conversion operations and research and development.

In conversion, plastics companies add value to their materials by getting involved not just with turning out products in the form of plastics chips which then have to be processed but with making finished or semi-finished products such as film or sheet.

A number of companies

resins, mainly for products in

the car and electrical indus-tries; and decorative laminates.

In all these areas, Perstorp liaises with hundreds of differ-

ent customers, supplying dif-ferent mixes of chemicals depending on the need of the

The company charges a price for its products that reflects

not just the raw costs of the materials but the value of the

systems expertise required to put the compounds into use. Similar moves are taking

place in plastics, a \$130bn-a-year world industry dominated by sales of standard, high-vol-ume materials such as polysty-rene, polyethylene and polyst-nyl chloride. Manufacturers are putting more emphasis on

are putting more emphasis on making high-value, specialised

materials known as engineer-ing plastics.

These are based either on

use of additives to strengthen or change the character of the high-volume types of plastics or on relatively new families of

resins such as polycarbonate and acrylonitrile butadiene styrene (ABS).

Mr Denis Wilcock, in charge of the European plastics activities of Dow, the large US chemicals company.

icals company, says working closely with customers is

up a long-term presence in

A number of companies including European Vinyls, a joint venture between ICI and joint venture between KI and Enimont of Italy which is Europe's biggest PVC maker, are moving in this direction.
Out of the extra efforts in R&D is coming a widening variation in alloy types in which different kinds of materials are mixed in set concentrations.

trations.
Much of research is linked to the addition of small amounts of chemicals to make a mate-rial flow better in a moulding process or to change its surface finish.

Other trends are the ass bly of layers of dissimilar plas-tics to make products with new characteristics, such as lack of permeability to gases that can be used in packaging to pre-

serve food. Special additives can help to change the stiffness or density of a finished product, whether this be a garden chair, a tie rod for a car engine or a children's

"We have learned a lot in the past 10 years in basic materials technology," says Mr Erich Schnitzler, marketing director for plastics at Hoechst.

WESTERN Europe's big drug makers, coming under a vari-ety of pressures, face tougher times over the next decade. The continent's £25bn a year pharmaceutical industry has over the past 20 years been

among the success stories in the high-tech sector.

The business is among Europe's largest spenders on research and development many companies direct 10 per cent or more of their sales to this activity — and has a strong record in export sales out of Europe.

The drugs sector in Europe contains a number of large and highly successful groups such as Glazo of the UK, Switzerland's Sandoz and Ciba-Geigy, Rhône-Poulenc of France and Bayer and Hoechst of West

Germany.
The pressures on the sector come under a variety of catego-

Research costs are rising due to tighter government safety standards for medicines which must be met prior to new products being allowed on the market, requiring increasingly energy, and expensions. ingly onerous and expensive clinical trials.

Governments, the main paymasters for pharmaceuticals in

Europe through state social security systems, are keener than ever to cut costs in health service spending, a trend seen especially in the UK and West Germany.

That may limit drug com-

pany's ability to set high prices for their products, particularly

new ones.

The effects of the European Community's planned trade liberalisation after 1992 may be to push down prices by an ironing out of the price differentials for drugs throughout Europe

entials for drugs throughout Europe.

While countries such as Britain and West Germany have been at the upper end of the price spectrum, Italy, Greece, Portugal and France have generally had lower prices and drugs industry chiefs worry that the average over the next few years is likely to move downwards as the liberalisation measures the liberalisation measures

take effect.

● The generics drug industry, makers of cheap off-patent products which are copies of branded drugs produced by the large research-based medicines companies, is likely to gain strength, putting profit margins in the big companies under increasing pressure.

lowed the general trend in the

under increasing pressure.
There have been a number of different reactions in Europe to the changes that the 1990s are likely to bring:

Some companies have fol-

Giaxo's immunology department using cells for tissue culture

PHARMACEUTICALS

Drug makers face a variety of pressures

operating units, in an effort to maximise the effects both of research activities and market-

has in recent months moved to greatly enlarge its presence in North America, the world's biggest drugs market, by buy-ing Canadian vaccines maker Connaught BioSciences and by taking a majority share in Rorer, a medium-sized US drug

group.

Other companies have followed a similar line in lifting research and market presence not by acquisitions but by more informal accords in which different companies Three small European medi-cines groups – Merckle of West Germany, Laboratoire Lafon of France and ASW in Italy - have formed an alli-ance to swop ideas and jointly licence new compounds from other countries into Europe

• There has been a general mood of belt tightening in some companies. Glaxo, for example, which has been one of the world's fastest growing drug groups in recent years, has instituted a series of measures to hold down costs espe-cially in research and administration expenses.

 Some groups have opted, highly successfully in some cases, for the route of specialisation in particular healthcare

The theory is that this may help in an industry that will become increasingly competi-tive in the next decade. The moves apply especially to com-panies in the Nordic region which are relatively small in world terms.

Thus Novo-Nordisk of Denmark has concentrated its energies mainly on insulin and other diabetes products; Haf-slund Nycomed of Norway is a world leader in products for use in diagnostic imaging; while Sweden's KabiVitrum specialises in biotechnology-derived protein medicines such

as human-growth factors.

There has been a move by some research based companies to take a greater stake in the generics industry which many assume will grow during the 1990s across Europe. Both Rhône-Poulenc and Ciba-Geigy are keen to expand in this area. But there are no guarantees that work in this field will bring swift rewards; some of the smaller generics companies in the UK have in recent months expressed fears about tightening margins and tough competition.

One general trend in the research-based industry has been to push for greater patent protection for new products which would extend the time makers can sell their medicines free from generic compe-tition. The European Commu-nity is moving in this direction

nity is moving in this direction and has proposed an extension of the effective patent life for many new compounds by adding extra protection, of roughly four years, after the formal patent has run out.

This move, which drug industry executives say is needed to compensate the sector for its long development times of up to 12 years for a single product, may run into opposition. The drug sector, in spite of its contribution to lifting life expectancy in the past few decades, is not popular.

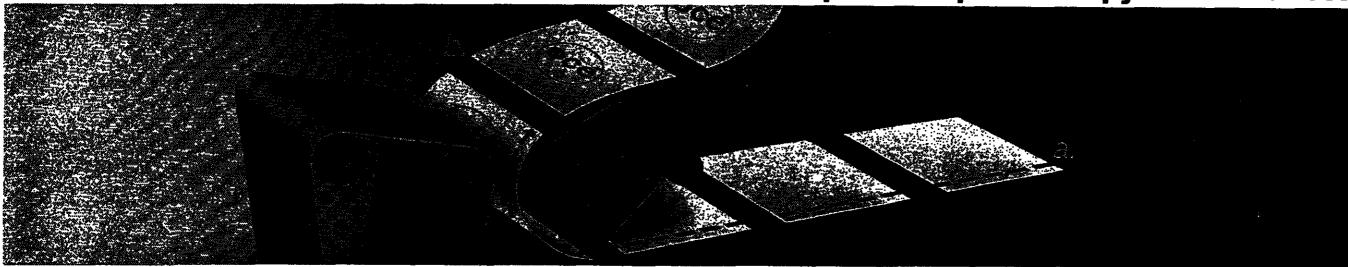
A new book touches on these

A new book touches on the points: "The industry allegedly markets dangerous products, encourages overprescribing of expensive drugs, makes excessive products and spends unnecessarily on marketing and administration.

"All these criticisms are denied by the industry but have wide circulation and it is not a matter of indifference where governments and legis-lators stand," it says.

Pharmaceutical Chemicals In Perspective, Bryan Reuben and Harold Wittcoff, John Wiley.

The most reliable path to a perfect copy is the shortest.

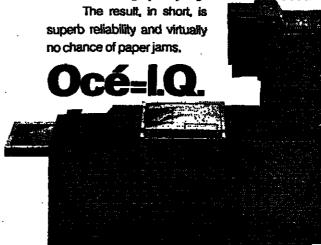


in a copier, the shorter and simpler the paper path, the less likelihood there is of jamming.

A simple notion - but it took a touch of genius from Océ to turn the thought into reality. The unique Océ image transfer system brings

the image to the paper by way of two belts, there is no need for the paper to travel deep inside the machine. This feature is common to all Océ mid- and

high volume copiers, from our tough walk-up machines to the mighty, very-high-volume Océ 2500.





Copying and printing with the simple touch of genius. Océ (UK) Limited, Head Office, Langston Road, Loughton, Essex, IG10 3TH, Ozalid - Telephone 01 - 508 5544; Océ Copiers - Telephone 01 - 502 1851 ; Océ Office Automation - Telephone 01 - 502 0038.

Taking the risk out of rockets

SPACE BUSINESS is risky business. A company can spend years putting together a multi-million dollar satellite and then spend some expen-sive seconds watching it explode in a performance wor-

thy of the fourth of July. You put together an extremely sensitive piece of equipment and then place it on top of a bomb over which you have no control," explains John Holt, managing director of British Aerospace Space Systems. "There is no safe abort. It's all or nothing." The reliability of launching

vehicles has traditionally plagued the space industry. The most recent example occured last month when an Ariane 4 rocket exploded shortly after lift-off with two Japanese satellites on board

However, observers believe that this accident should not herald a return to the era between 1986 and 1987 when a series of launches failed, making space virtually inaccessi-

The Titan, Atlas and Delta programmes all experienced failures, as did Soviet and Chinese programmes. During the same period, the US space shuttle suffered an accident. Insurance rates climbed

from between 5 and 10 per cent of the launch and payload's cost to about 40 per cent, making the price of entry into space almost prohibitive.

Analysis are confident that the Ariane failure should not prove too serious for two rea-

The launching vehicles appear to be becoming far more reliable. The Ariane accident put an end to a run of 17 successful launches - an unusual achievement in an industry where the failure rate of expendable vehicles aver-

ages about one in 10.

In addition, the analysts point out that a new generation of expendable la vehicles is coming on stream making dependency on any one programme less important. The USSR, China and Japan could all become significant players in the commercial mar-

When there are failures it is the insurance industry that picks up the tab. During 1985, the worst year for failed launches, the industry paid out about \$350m. During the 1980s, it paid out about \$1.5bn.

After these experiences, the insurance industry, mainly based in the US, remains cau-tious about the space sector. Mr Benyon Poole, director of Sedgwick Space Services, the London-based insurers, says that premiums are unlikely to fall below 17.5 per cent following the Ariane accident. There had previously been some soft-ening of the market.

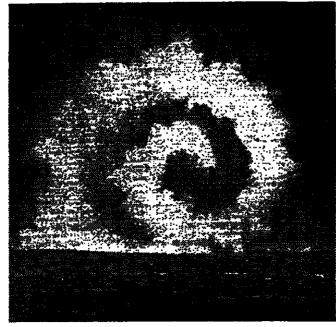
One implication of the series of accidents during the mid-1980s has been the trend for satellite customers to insist on paying for delivery in orbit, making the satellite manufac-turers liable for launch failures. This has also been driven by the growing sophistication and cost of satellites.

This trend has intensified acute competition in the busy satellite manufacturing mar-ket. The supply of satellites is greater than demand and analysts expect a substantial restructuring of the market before the next decade

That restructuring could be particularly significant in Europe. Indeed, the number of in Europe could fall from six to two, or even one, before the turn of the century, according to Mr Marc Giget, director of Euroconsult, the Paris-based high technology research com-pany. He argues that the economies of scale required to remain competitive will force companies to collaborate.

The effects of the restructuring can been seen. British Aerospace Space Systems is intensifying its links with established partners such as Matra, the French company. In addition, the number of primary sub-contractors in France has been halved in recent years from about 10 to

The problem for satellite cturers is that if suppliers of satellites remain plenti-ful, customers may prove increasingly elusive. Admit-tedly, it is not evident that the improvement in East-West relations will be detrimental to the military satellite market.



This trident missile which went out of control seco launch highlights the ricky nature of the ap

Mr Marc Giget at Euroconsult argues that the success of detente is dependent upon passive satellites and that para-doxically the effect of a better climate between the super powers may be to increase the market for such devices.

Such an outcome would favour IIS manufactures which historically have been beavily dependent upon the military market. Euroconsult estimates that the US military market is 10 times bigger than the civilian market.

The largest market for satel-lites – which is for classic telecommunications - appears to be reasonably strong at pre-ent, although a series of falled launches have not helped in the sectors' battle with fibreontic technology.

However, the future of satellites for direct broadcasting appears to be more doubtful following heavy financial losses by companies such as Sky, and the loss or failure of satellites such as TVSat and

In addition, the commercial viability of mobile communications based on personal com-munications numbers remains uncertain. The European manufactur-

ers are facing pressure from US manufacturers. The satel-lites for both BSB and Astra were supplied by American companies. European efforts to export to the US have not met with great succe

Attempts by the European satellite manufacturers to

diversify have not produced significant revenue streams. The applications for Earth observation market, remote sensing or meteorology have not proved particularly remu-nerative and may not be until the mid-1990s.

Similarly, microgravity has proved interesting in scientific terms, but has not proved lucrative. In the long term, there are possible applications in electronic components, high-performance materials and micro-chemistry.

A more profitable sector for satellite manufacturers might prove to be in the area of service provision.

A number of companies,

such as British Aerospace are interested in providing tele-phone and data information "All the gravy in the indus-try goes to the service provid-

ers such as British Telecom and Mercury Communica-tions," says Mr Holt. Mr Holt explains that in the US a number of satellite manu-

facturers, such as Hughes, Ford and RCA are moving into the area of services. He hopes that the public communica-tions duopoly existing in the UK will be broken up at the end of 1990 when it is next due to be reviewed. In the meantime as the going

gets tough, industry observers will be looking to see which European satellite manufactur-

Paul Abraba

Cars that think? John Griffiths looks at automotive electronics

Intelligence on the road

CARS and trucks are undergoing profound change as the result of heightened competition between manufacturers, overloading of road transport infrastructures and proliferating legislation in the areas of exhaust emissions, safety and fuel economy.

The principal enabling ingredient for this change is the use

In their first applications, electronics provided little more than a smart way of operating individual devices in a vehicle, such as fuel injection in place

of carburettors. However, in the past few years electronically-controlled devices have proliferated and make up cohesive sub-systems within the vehicle.

These sub-systems in turn are progressively integrated with each other to the point where, perhaps by the end of this decade, the more technically advanced cars might be described as intelligent, with virtually all their systems under the control of on-board computers.

Commands and information about the status of working parts of the car will be relayed via a multiplex wiring system resembling the ring ma ing system of a house and with only two fibre-optic wires.

The multiplex system, expec-ted to be introduced on some cars within the next two years, will be capable of handling far more data than is possible using even several miles of conventional electrical wiring loom. It will allow, for examtraction, steering and suspen-

Other features lending them-selves to control via electronic nsors, include air bag and sensors, include all day and safety belt tensioning devices, continuously variable transmissions electronically matched to the engine management system, anti-theft devices and in-car climatic control.

One of the most vivid exam ples is provided by the latest Mercedes SL convertible. A hidden rollover bar springs up within a few hundredths of a second of sensors detecting the car is about to crash.

Mazda, which launches a multiplex car later this year, says its system will have the signal carrying capacity of 6,000 conventional wiring looms. Importantly for factors



Proving ground: Bosch testing its anti-lock braiding equipment at Schwieberdingen, Stuttgart

such as reliability, the system is capable of diagnosing its own transmission errors and

re-transmitting them.
However, as Professor Walter Kunerth, president of automotive systems at Siemens the West German electronics group points out, even such sophistical cated control of the car appears to be only a stepping stone along the way to what he describes as a fully-integrated road transportation system.

In this system the car or truck's ability to communicate with a variety of external traffic control mechanisms will become at least as important as controlling the behaviour of

the car.
Collision-avoidance sonar or radar, with sensors automatically applying the vehicle brakes to maintain a safe dis-tance from the car in front, provides one example. A route guidance system in which vehicle and roadside beacons exchange information, is

Test guidance schemes are in operation in both the UK and West Germany, as part of the EC's Prometheus project aimed at halving the number of fatalities on Community roads by the turn of the cen-

Michigan's Automotive Electronics Delphi V study, electronic components accounted for about 10 per cent of total average vehicle cost in 1989 but will rise to 15 per cent by 1995 and to 20 per cent by 2000.

Market research group Frost
& Sullivan forecasts that the

West European market for automotive electronics fitted as original equipment — excluding in-car entertainment — will be worth \$2.53bn to suppliers by the end of 1993, compared with \$1.35bn in 1988.

However, vehicle components comprise only a part of the contribution being made by electronics to what Prof Kunerth describes as "the dramatic changes under way which will reshape the motor industry in the 1990s.

At least as significant is the impact electronics are having on the ways in which vehicle are designed, developed and manufactured. The introduction of computer-aided design and engineering, and computer-integrated manufacturing, has cut the time to take a model from concept to production line to well under four years, particularly in the case of the Japanese.

roads by the turn of the century.

According to University of altered by, among other pro-

cesses, the flexibility on production lines made possible by the robotic framing and welding of car bodies. At Volkswagen's Emden plant in West Germany, for example, robots can switch between Passats and Golfs with only a few sec-

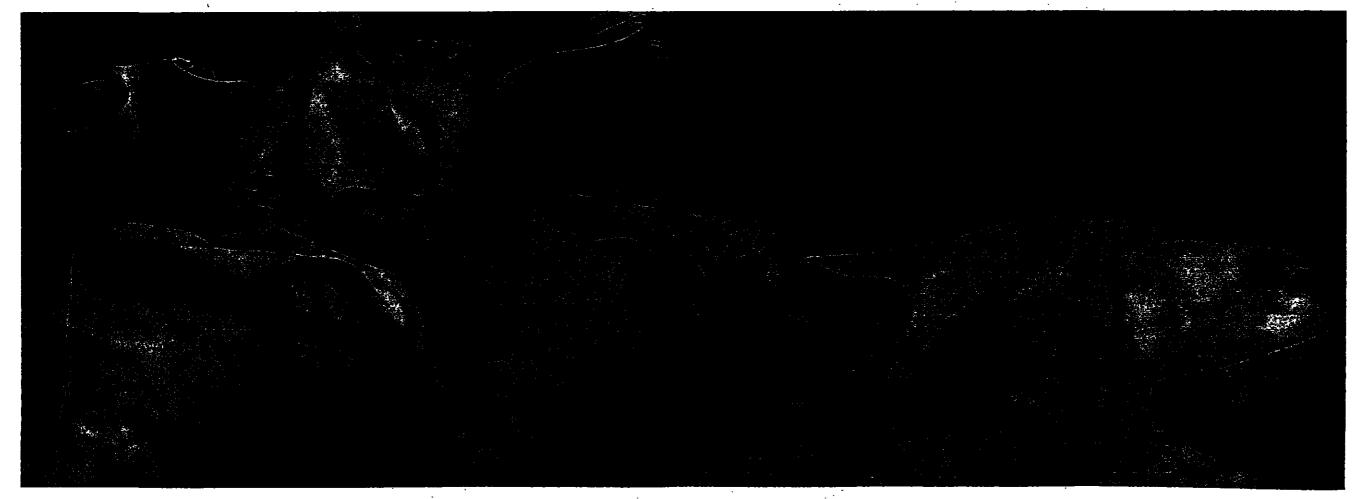
onds' pause for a tool change. This flexibility is sorely needed - such is the complexity of the latest, electronicsladen cars that conventional assembly lines would be stretched to inordinate lengths using time-honoured assembly.

Instead, as Mr Jeffrey Daniels points out in his Economist Intelligence Unit study, The Car of the Future: "The main effect of new technology in the production process has been, and increasingly will be, to dismantle the traditional production line" in favour of modular assembly, in which components assemblies are put together at separate work statronic control to an assembly

line growing ever shorter.

At its ultimate, electronic control of production systems would entail "lights out production" of complete vehicles. Even among those most enthusiastic about computer-integrated manufacturing, however, this is acknowledged to be at best 2 distant prospect.

Northern Telecom helps shift billions of dollars a day.



Who do bankers bank on?

For the Brussels-based Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T.), the answer is simple.

Northern Telecom.

S.W.I.F.T. provides transmission services among major banks round the world. They chose us to provide them with the most reliable data network available. We are, after all, not just Europe's, but also the world's largest supplier of data packet networks.

When completed, this telecommunications solution will connect some 2,600 bank locations in over sixty countries.

So much for the big money.

Now what about the peanuts?

For Cargill, one of the leading agricultural and commodity companies, the problem was entirely different. They needed an internal phone system that ensured fast and reliable communications between their commodity traders across the world.

They chose Northern Telecom because no one sells more advanced business communications systems than we do.

Just two of the ways in which Northern Telecom advanced telecommunications products are helping both big and small businesses in more than one hundred countries worldwide.

Can we help you?

NORTHERN TELECOM IS ACTIVE IN 24 COUNTRIES THROUGHOUT SUROPS. FOR MORE INFORMATION CONTACT NORTHERN TELECOM SUROPS. 44 (8) 753 815000.

But we also help if it's peanuts.



RDAY MARCE

FINANCIAL TIMES TUESDAY MARCH 20 1990

SECTION IV



Opencast mining faces unprecedented scrutiny over its operations and its impact on the

environment. Some producers are trying to win acceptance not merely by repairing the damage but by leaving their sites greener than before, reports Maurice Samuelson

Under tough scrutiny

best place from which to start surveying opencast mining, one of the world's most widespread, intrusive and biggest industrial activities.

This is an industry whose common features are accompanied by intensive diversity and variety, in geographical location, in the materials which are extracted, the physical continuous the materials which tours of the mines, their method of operation and equipment, and their economic

The activity is also known by a variety of other names. Australians talk of "open cut", rather than opencast mining. Other common terms are strip or surface mining, often used interchangeably. Other terms, such as open pit, describe a particular method of working from the surface.

But bigness is their overriding common feature. Many opencast mines are visible from miles above the earth. One Australian pit is claimed by its owners to be visible from as far away as the moon.

Some mines rival in depth
the world's biggest natural
canyons, while shallow workings are often remarkable for the size of the area they cover.

1.2 2 122.76

March Land

the unnaturally symmetrical mounds of waste which skirt them. Others have obviously affected the course of rivers and led to the creation of artificial lakes and lagoons.

These huge projects are matched by the scale of the equipment, which includes some of the world's most impressive examples of mechanical engineering. They are dominated by the whirring conveyor belts transporting the raw material to ports or intermediate processing plants, often hundreds of miles away. The industry's most distinctive nieces of equipment, the bucket-wheel excavators and walking draglines, are the world's largest mobile landed machines. Many of the machines used

for digging and re-depositing aterial take years to assen ble on site and, with correct maintenance, are designed to last up to 50 years, sometimes

machines, dump trucks, loaders, shovels and a wide range of bulldozers, are monsters of the vehicle kingdom. Since the market for these specialised machines is a global one, it is supplied inter-



Opencast Mining

nationally by a limited number of heavy engineering equipment makers, which make a point of having their names displayed on them in giant

The West Germans-and the Americans dominate the heavi-est end of this market. The West Germans are led by Krupp, Orenstein & Koppel (O&K) and MAN for bucket wheels, stackers and conveyors, Demag and Lie-bherr supply face shovels, while O&K also supplies dump trucks to about 100 tonnes pay-

North American leaders for mining equipment include P&H Marion (part of Dresser), Bucyrus Erie, Caterpillar, Wabco, Euclid, Unit Rig, Titan and Wisedain

mining plant. Hitachi supplies some walking draglines, such as that at Costain's Dolet Hills lignite mine in Louisiana. And Komatsu makes dump trucks. However, the Japanese are more active as large-scale suppliers of relatively smaller equipment, such as excavators, tracked buildozers and wheeled

The mining companies themselves are also large in size, ranging from the international mining houses involved in the more valuable ores and minerals, to multinational civil englneering groups, such as Bechtel and the US Fluor Corporation, seeking new outlets for their professional skills. The UK construction and mining group Costain, which once thrived on Middle East civil engineering contracts, now derives 50 per cent of its profits om mining. The field has also been joined by a number of oil com-panies which branched out into coal in the 1980s to hedge the uncertainties of their main-

stream business. As a prime supplier of raw materials the industry also has to ride the global economic currents and is susceptible to a wide range of socio-political

The environmental movement of the late 20th century has exposed opencast mining to unprecedented scrutiny by to impreceeded scrumy by political and public opinion, making it barder than ever to open up new mines, and frequently saddling them with costly conditions regarding the mining plan and restoration

procedures once they are approved. Many of the big minerals mines are also in politically inflammable parts of the world — Southern Africa, Central and Latin America, the Middle East and Asia. Their owners have to deal with the governments of the day without unduly offending the likely rul-

But the diversity of opencas mining is as remarkable as its homogeneity. The mines mentioned in the following pages give but the briefest taste of their geographical profusion. They include sites in Australia, North America, Southern Africa, Germany and in Britain.

ers of tomorrow.

ing a belt of mine-mouth power stations, are under way in the

IN THIS SURVEY Equipment: Material processing: Rise of the Super Pit..... Bingham Canyon; Consolidated Diamond Mines Aheinbraun; Hambach mine; Australia British Coal; UK contractors .

FORTHCOMING SURVEYS

The Financial Times proposes to publish surveys on related themes in the coming months. These include: It The Electricity Industry. March 28 III Water Industry, June III The Car and the Environment, July III World Nuclear Industry, September III Oil Industry, October III Energy Efficiency, November. For further information telephone 873 3337

Central Asian areas of the Soviet Union. There are also ambitious projects in eastern and southern Europe, the Far East, Indonesia and Latin

Among the more interesting mining ventures of the future are plans to exploit the so far neglected lignite of Northern Ireland, which offers a tantalising promise of cheap electricity to people who currently pay the highest energy prices in

No less diverse than location are the minerals extracted by opencast mining. They range in value from coal and lignite located in many parts of the world, to more specialised, localised and valuable materials such as potash, bauxite, china clay, copper, silver, molybdenum, uranium, gold and diamonds.

The rarity of the materials and their accessibility from the surface are the prime consider-ations in deciding whether to mine them by opencast methods. That is because the chief burden has to be stripped away from the underlying seams or how much ore has to be sifted to expose the hard-sought min-

Rheinbraun, which produces lignite, or soft brown coal, for the West German power sta-tions of the Rhineland, has to remove 6 cu m of sandy overburden for every tonne of lig-nite it produces. At the Dolet Hills lignite

power station mine in Louis-iana, operated by Costain, the ratio between overburden and lignite is more than 11 to 1. Compare those figures with the 46m tonnes of overburden shifted by Consolidated Diamond Mines on the shore of Namibia to produce less than a year. That is a remarkable diamond-to-waste ratio of one

There is diversity not merely between the minerals won from the surface but in the skill and efficiency with which they are produced. This is acutely obvious in the conlignite is mined and utilised in East and West Germany.

Competition is particularly noticeable between producers of lower grade minerals, where the margin between profit and loss is at its slenderest.

Coal and lignite are the prime examples of this. In vol-ume terms they are the leading sector of opencast mining and projects are particularly vul-nerable to fluctuations in

worldwide supply and demand.
Shallow coal reserves close
to their markets have always
been exploited. It was the oil
scarcities of the 1970s and early 1980s which led to the emer-gence of an international longcoal and spurred the mining of rich, shallow deposits in Queensland and Colombia; ulti-mately it led to Australia becoming the world's biggest coal exporter.

has been rocked by volatile economic growth, the 1986 downturn in oil prices, the stig-matisation of coal burning as one of the principal causes of the so-called Greenhouse Effect, and sensitivity about the chemical composition of the individual coals.

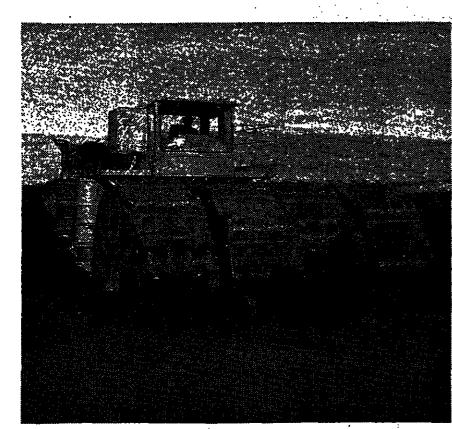
In some countries opencast coal mines also face tough rearguard action by older deep-mined coal industries which are not only protected behind thick tariff walls but, as in Britain, have spectacularly improved their efficiency.

There is therefore sharp competition between the Australian opencast producers and their overseas rivals, especially in the US. One of the main areas of competition focuses on wages, working practices and relations between management and workforce.

As they exhaust the shallower coal, and the stripping ratios increase, the mine ownwhether or not to sink drift mines or shafts to follow the

seams of coal underground. In some Queensland mines, that border has already been crossed, and underground techniques perfected in the deep mines of Britain are more than holding their own against the tic of the opencast mining

Mining and Materials Handling Equipment from Krupp: Justom-Built Machines and Engineered Systems.



Krupp Surface Miner: for Continuous Mining of Hard Materials

Whenever earthmoving is required – for land reclamation, for construction of railways, canals and dams, for removal of overburden in open pit mines to expose lignite, limestone, oil shale, phosphates, hard coal, hard rock or ores - Krupp machinery is available to tackle difficult jobs efficiently, reliably and economically.

Over 65 years of experience, the necessary knowhow, and a strict regard for quality help to explain



Compact Excavator Systems from Krupp: Built with Economy in Mind.

why Krupp is the leading supplier of mining and materials handling equipment worldwide. One of the main reasons for this success is Krupp's ability to identify and find solutions to central problems. Using these solutions as a starting point, Krupp develops systems and technologies to serve tomorrow's industries.

Mining and materials handling technology from Krupp ensures that you stay a step ahead - when



Crushing Technology from Krupp: Crusher-Conveyor Systems for In-Pit Crushing

you decide to improve your existing plant, and in particular when you opt for the design and construction of new, complete "turnkey" systems.

Krupp Industrietechnik GmbH P.O.Box 141960 · D-4100 Duisburg 14 Tel. (0 21 35) 78-0 · Tx. 855486-80 ki d Fax (02135) 75191 Federal Republic of Germany



THE market for opencast mining equipment has picked up quite strongly over the past few years after being relatively depressed during the early and mid-1980s.

"It is a global market and demand is relatively favourable," says Mr Horst Bräunlich, head of marketing services at O&K, the German construction and mining equipment maker. Mr Bob Reed, head of the large machinery unit for the overseas division of Caterolliar of the US, says coal mining activities have buoyed equipment demand while mineral mining, particularly for copper, has been heavily supported by

rises in mineral prices. The opencast mining industry relies on huge specialist machinery, principally face shovels and draglines for scooping up material, and the world's biggest rigid dump trucks for hauling work.

A whole range of less spe-cialist machines such as grad-

ers, smaller rigid and articulated dump trucks, wheeled also used in secondary activi-ties such as rehandling and

North America is the biggest market and, like Australia and parts of Africa, uses the world's biggest machinery. Though there are great similarities in the type of equipment used at opencast sites around the world, there are some important geographic differences in the market.

The West German equipment industry is the only one to make large volumes of bucket wheeled excavators whose principal feature is a rotating wheel on which up to 20 "scoops" are fitted. These are popular tools for German mining companies and are particu-larly useful for working with soft material such as lignite which is commonly found in central Europe. US opencast mine operators tend to use more graders than in Europe for keeping mine roads clear and usable.

North America remains a powerful supplier of specialist mining machinery. Principal manufacturers include P&H. Marion (part of Dresser) and Bucyrus Erie (part of Terex) in either face shovels or drag lines depending on the pro-ducer; Caterpillar, Wabco (Dresser) Euclid (VME), Unit Rig (a division of Terex), Titan and Wisedain are prominent in big dump trucks; Caterpillar and Champion of Canada are in graders; and Marathon Le Tourneau makes very big

The Japanese have virtually no opencast mining industry



Nick Garnett on the market for mining equipment

Encouraging pick-up

equipment used in the indus-

try. One is that machinery is

getting bigger. The average dump truck had a 70-80 tonne payload several years ago but

now it is about 120 tonnes, according to the Corporate

Intelligence Group, an industry

Ten years ago, the very larg-

and are not that strong in equipment supply but they do make some. Komatsu manufactures rigid dump trucks though not up to the heaviest weights, as well as graders, while Hitachi makes face shovels. However, Japanese manu-facturers do make large volumes of secondary equipment like crawler dozers, excavators and wheeled loaders.

est truck in operation in the UK was about 100 tonnes but The European industry has several specialist makers with now they are up to around 150 tonnes. The biggest production

Coal mining activities have buoyed equipment demand while mineral mining, particularly for copper, has been heavily supported by rises in mineral prices

analyst.

a lot of the production centred in West Germany. Companies involved include Demag, O&K and Liebherr for face shovels, and O&K for hig backhoes and dump trucks of up to about 100

tonnes payload.
The heart of O&K's dump truck manufacturing is the former Faun company which O&K purchased in 1986 and which now sells under the O&K name. Swedish based VME also manufactures some equipment, including smaller dump trucks. RB Lincoln in the UK makes small drag lines but Ransome and Rapier, a once great name, has dropped Several trends have been

influencing the nature of the

truck in the world now goes up to about 240 tonnes though the largest haulers ever built are thought to be 315 tonnes, built by Titan.

These increases in size have been accompanied by greater use of turbo charging and inter-cooling to give engines the required power to cope with such massive weights. The biggest dump trucks are now operating with up to 2,000hp under their bonnet. In dump trucks there is still a competitive battle between direct mechanical drive and electric drive. In the former, the diesel engine powers the machine conventionally through a transmission. In the latter, the diesel powers an onboard generator, the electricity from which powers drive axle electric motors attached to each wheel.

Mechanical drive offers lower costs because of simplicity of design and fewer moving parts but is weight-restricted. One reason for this is that such vehicles require enormous transmissions. Recent engineering developments allow this type of drive to power trucks of up to about 190 tonnes, according to Mr Reed at Caterpillar. He says that Cat will develop drives to cope with payloads of up to 240 tonnes but, for the moment, trucks with the largest pay-loads must use electric drive.

Many mine operators in North America and Australia use electric drive vehicles even for payload tonnages of less than 150. Some trucks run directly off cables connected to power generating stations. In the UK, electric power trucks

have not been popular.

Many other types of equipment have risen in payload and horsepower along with these principal machines. The biggest wheel loaders have engines with horsepower exceeding 700 and bucket sizes of more than 10 cu m.

"Equipment goes up in size together and will continue to do so," says Mr Reed. "It has to because each industrial machine is part of a complete system."

PROCESSING

Brute technology the force behind mineral extractions

GETTING material of whatever kind out of the ground and into a wagon is only half the pro-cess - the product the customer will purchase bears little physical resemblance to its

condition at source. There is no standard method of treating extracted minerals; each type of material and each end product requires its own particular treatment. That treatment may vary from sim-ple reduction to a suitable size in the case of rock for bulk fill to fine grading of coal for a particular client

But in general, the first stage of processing is primary crushing or reducing the "as dug" material to a suitable size for subsequent treatment. For rock production primary crushing is a matter of applying sufficient brute force to split the base material into smaller par-

Various types of primary crusher exist, such as the impact crushers produced by Brown Lenox, Peabody Holmes and Parker, jaw crushers from Baxter Crushers and Hewitt-Robins; roll crushers from British Jeffrey Diamond; and cen-trifugal impact crushers from

Primary crushers can either be permanent installations or mobile and the choice frequently depends on the size of the site. Though usually smaller in size than perma-nently installed plants, mobile units are becoming ever more popular in the UK due to their flexibility — as the working face moves forward, so can the

crusher be moved, reducing haul times and the number of wagons required to maintain a steady flow of material to the eady flow of material to the

Mobile units are available from manufacturers like Orenstein & Koppel, Goodwin Barsby, Lokomo and Pegson among others.

Secondary crushers then treat the reduced material once more to provide a final product of the required size. Smaller jaw crushers fit the bill, as do gyratory crushers and cone

But to ensure that processed

material fits into the specified

grading envelope (the allowed size range of single lumps),

The basis of a screener is simple: the stone is passed

over a grid of a certain size -

pieces that are too large are rejected, pieces of the correct

size and below pass through. Rejected material is normally

returned for further crushing

and a combination of screens can produce single size mate-

crushed rock must be screen

forces oversized matter to slide off to the side to stacked sets of vibrating grids, each of which in turn select pieces in a very

narrow size band. Wear and tear is naturally an important factor in choosing a screen. They therefore vary in type from heavy duty metal fabrications for large lumps of material to fine mesh and wire for sand; even polyurethane decks are used in specialist applications. Screens are frequently available from the same manufac-turers as crushers and other

producers include Locker,

conveyor where the flexible belt is formed by the guide rollers into a tube around the

As with crushers and screen ers, conveyors can be bought either for permanent installa-tion or as mobile units. Conveyor suppliers include such companies as Dowty Meco, Huwood and Northern Conveyors.

To avoid overloading, conveyors are often loaded by vibrating feeders which are matched to the speed of the belt to ensure that the correct amount of material is placed on the belt - too much and there will be spillage, too little and the belt is not working to capacity. Feeders are available from Pedershaab, Becorit & Herweg, Skako and Hewitt-Robins.

For stockpiling and storage. material can be stacked using either inclined conveyors or buckets elevators. These are supplied by companies such as Rud Chains.

Some users prefer to mix and match their plant from a number of suppliers, others to go for an all-in parcel of equipment; complete quarry plant packages are also available from companies such as Par-ker, Peabody Holmes, GEC Mechanical Handling and Brown Lenox. Each site can be individually assessed according to its needs and a plant designed to fit the bill.

from simple reduction to a suitable size in the case of rock for bulk fill to fine grading of coal for a particular client

The treatment of extracted minerals varies

rial or a specific size range, for instance, 5mm-25mm diameter.

By the very nature of their operation, screens come in a wide variety of forms. From the simplest which is just an inclined set of rails which Kenneth Gooding on a tale of corporate intrigue

methods with large-scale

earth-moving equipment.

Mr Bond bought up every

By the spring of 1988 his

to carry the optimum amount of material, at the optimum speed without clogging, spill-age, wearing out too quickly and throwing dust around. And this must be achieved for the minimum possible capital

Mogensen, GEC Mechanical

Handling and Babbitless.

Actually moving the material around the process area may sound like the easiest part

of the whole operation but

there is more to conveyor technology than meets the eye.

Conveyors have to be designed

Where it is important not to lose dust and fine material it is normal either to cover conveyors or to use a tubular

Colin Schafer

on Kalgoorlie's Golden Mile in Western Australia involves gold, greed, one man's realised dream, larger-than-life characters, corporate catastrophe and corporate opportunism, the saving of a town and much

much more. At centre stage is Mr Alan Bond, the now-tarnished Perth deal-maker, who burst on to the Kalgoorlie scene in 1984

His eyes had long been fixed on the Golden Mile, a stretch of the Eastern Goldfields around Kalgoorlie, 375 miles east of

Since the day in 1893 when an Irishman named Paddy Hannan found the first gold nugget in the area, the gold-fields have produced about 40m troy ounces of gold (about 1,244 tonnes), making it Australia's

The remoteness of the gold-fields did not deter the early prospectors who flooded in to Kalgoorlie. The town's massive cemetery is a stark reminder of the hard times faced by the earliest inhabitants or "dig-gers". Water was scarce (and still is), sanitation was absent and disease rife. In this area there are no beaches and no

mountains — just dirt, heat, flies and gold.

Kalgoorlie has changed for the better and still the gold comes forth. Output in the area is still about one tonne a week and Mr Bond's aim was to boost that production even further while at the same time cutting costs. He wanted to buy up a string of mines along the Golden Mile and absorb them into one Super Pit.

This is a simple enough concept but it represents a technical challenge made feasible by recent advances in the treatgies to get the maximum of fine-grained gold out of very difficult, refractory ores. More importantly, the scheme is made economic by bulk mining

THE STORY of the Super Pit

with a dream about how to make a fortune from gold.

available mining company on the Golden Mile. Unwilling sellers were encouraged to leave by extravagant prices impossible to refuse. He borimposable to remise, the bor-rowed the necessary cash from the banks or by rights issues to the remaining outside stake holders in his Golden Mile

Homestake agreed terms to merge their Golden Mile interests into Kalgoorlie Consoli-dated Gold Mines which brings together six open pits, five

underground mines, five mills and 1,500 people. These operations are being transformed into a Super Pit, one of the world's higgest man-made holes, at least 5km long, 2km wide and up to 500m deep.

This will lift gold production from about 400,000 ounces a year to 850000 ounces by the

Rise of the Super Pit

year to 860,000 ounces by the mid-1990s, give a mine with a 20-year life and underpin the future of Kalgoorlie and its 30,000 inhabitants.

The Super Pit is a colourful site. But not nearly as colourful as the corporate machinations which made it all possible

family holding company, Dalhold, had control of five Gold Mile companies, but had built up associated dehts of A640m (about \$480m) and had lost the goodwill of those outside shareholders.

In spite of all his efforts, Mr Bond still did not own enough of the Golden Mile to maximise economies of scale - and without sufficient volume of pro-

out sufficient volume of production he would not be able to pay back his loans.
But with one more deal he achieved his objective. Abutting his holdings was a large open pit owned by the Homestake mining group of the US. Mr Bond and Homestake each could dig a Big Pit. But together they could develop a Smer Pit one of the world's will be recovered by the open-Super Pit, one of the world's biggest opencast mines and capable of being seen from the

In January 1989 Mr Bond and

The scale of the operation will enable the Super Pit's miners to recover gold that other-wise would have been bypassed. Underground miners (and the Super Pit encompasses the biggest underground mine in Australia, Mt Charlotts) concentrate on the richest seams of gold and d. Underground miners rarely are concerned with the thinner deposits that spread out from the main seams. These "mineralised baloes", as they are charmingly called,

Unfortunately for Mr Bond. within a few months of the Homestake deal his dream of creating one of the biggest gold mines outside of South Africa crumbled. His various worldwide corporate interests were all balancing precariously on the edge of oblivion, brought

there by huge debts,
in August last year he sold
half his interest in the Super
Pit and handed over management control to another Aus-

tralian entrepreneur, Mr Rob-

one bound Mr de Crespigny's Poseidon company was transformed and became Australia's second-largest gold producer after Western Mining. Ironically, when Mr Bond

started his accumulation of the Golden Mile interests in 1987, the first acquisition was that of Poseidon's interest in the Kalgoorlie Lake View mine. Mr de Crespigny says he bought that back three years later as part of the Super Pit deal for a frac-tion of what Mr Bond paid. The deal seems to make the

future of the Super Pit even more secure because the two partners, Poseidon and Homeske, are in a healthy financial state and ready to make a suc

After assuming management control, Poseidon set about reducing and restructuring the debt of Gold Mines of Kalgoorlie, the former Bond company which owns 50 per cant of the Super Pit. The debts are now almost exclusively denomi-nated in gold and therefore attract much lower interest costs (interest is 3 per cent on a typical gold loan whereas

Australian companies have been paying as much as 20 per cent for borrowed cash). Meanwhile, work on the Super Pit is transforming Kalgoorile. From on a hill above the Pit recently, I saw a moon-scape stretching almost for as far as the eye could see. Through the dust raised by the Through the dust raised by the 80-tonne payload trucks, it was a colourful site: red top soil, browny-red rubble broken up by the mechanical shovels and olue-coloured rock. Colourful but not nearly as colourful as which made it all possible.

Here you see one of our West German opencast lignite mines -30

Where bucket wheel excavators once mined millions of tonnes of lignite every year, we now find a nature conservation area.

Rheinbraun operates opencast mines that are among the biggest and most modern in the world. The technology we employ to mine and process lignite is regarded worldwide as exemplary. As is our recultiva-

So our responsibility does not stop when we find the most efficient and most economical processes for use in opencast mining. We are also concerned about leaving an environment worth living in for posterity. That is our goal - in Germany and everywhere in the world.



WORLD LEADERS in electric and hydraulic mining shovels and walking draglines



Further information obtainable from: Rheinbraun AG, P.O.B. 410840, D-5000 Köln 41, West Germann

200

Graig intro

DAY MARCH &

Kenneth Gooding on the difficult turnaround at Bingham Canyon

Riches at last for Lazarus

THEY SAY Bingham Canyon, 25 miles from Salt Lake City in Utah, is the largest excavation project in history. It is also a prime example of North America's so-called Lazarus mining operations — those apparently killed off by the long period of extraordinarily low metal prices in the first half of the 1980s but which have had new life breathed back into them. Bingham after 80 years of mining is two and a half miles

wide and half a mile deep but every working day trucks are still hauling out more than 89,000 tonnes of ore; ore rich in copper, gold, silver and molyb-

by about one third in 1992 as a result of a \$227m project which has just been approved by Bingham's new owner, the RTZ Corporation of the UK. The mine and associated

facilities were the plum assets in the portfolio when RTZ bought British Petroleum's international minerals assets in 1989 for \$3.6bn.

doomed in March 1985 when it was shut down. It reopened two years later as one of the

world's leading copper mines did not automatically cut out-only because dramatic changes put at times of weak demand. had been made to cut its production costs.

For in the mining industry survival depends mainly on making sure operations are among the world's least expen-

US mining companies were particularly vulnerable in the prolonged period of low metal prices in the first half of the 1980s. Bingham was typical Since 1936 it has been owned by Ken-

necott Corporation. The management was inlied into a false sense of security by the high prices and high demand for copper which lasted for 25 ars until the end of the

For most of that time copper supply was in the hands of rel-atively few companies which ensured production did not move too far ahead of demand to depress prices. That all changed in the 1970s with the emergence of state-owned copper producers in the developing countries which

now account for about 40 per cent of world output. Not only were their costs low, but they

an urgent programme to cut costs. The axe fell heavily on the salaried workforce, which

was cut by 45 per cent. But it was a cost-cutting programme between 1980-84 which saved Bingham, says Mr Frank Joklik, president of Kennecott. Manpower was cut. "We produced as much copper in 1984 with 4,000 people as we did in 1980 with 7,000." Suppliers contributed. "We

leaned on the utilities and our

suppliers to reduce costs and

we introduced competitive bidding on contracts.

"We gained a 20 per cent reduction in costs in nominal dollars, not taking account of inflation which was running at 15 per cent a year at the time." Kennecott had to tackle an

hourly-paid workforce. That proved difficult: about 70 per cent of the mine workers were represented by the USW (US Steelworkers) and their bene-fits were in line with those of the steel industry; five other unions were represented at the mine and demarcation disputes

Kennecott's contract with the USW was not due to end until June 1986 but the company tried to re-open talks in 1984. These efforts proved fruitless and some Bingham mine operations were shut down in mid-1984.

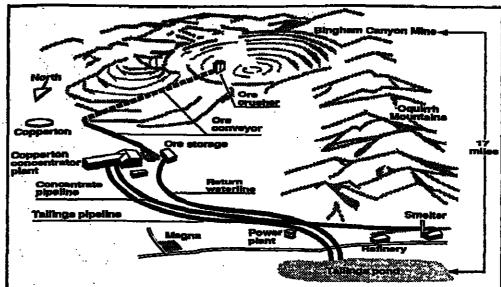
The rest went on care-andmaintenance early in 1985, out out of business not only by the low copper price but by two of the worst winters ever recorded in the US, which added to Bingham's financial

ued through 1985, culminating in town meetings in Salt Lake City where as many as 2,000 employees were called together at one time to hear manage-ment presentations, to see videos about the company's financial position and to ask Kennecott braced itself for a

Talks with the USW contin-

strike but a secret ballot approved the management's final offer, which called for cuts draconian by any stan-

The remaining Kennecott workforce was to be cut by half to about 2,000, a measure which included a 35 per cent



reduction in the hourly-paid enrkforce. who remained Those accepted pay and benefit cuts. The average mine worker was earning \$24 an hour, including \$8.50 in fringe benefits, in 1985. When the mine reopened the figure was \$14.50, including \$4 in benefits.

Moreover, many restrictive working practices were cut from the contract. That con-tract was for four years com-pared with three-year deals prevalent in the US mining industry. It gave no pay rises in the four years, nor did it

offer bonuses should the copper price recover.

The main concession by the company in return was an undertaking to restart mining at Bingham "when economically possible."

Modernising the out-dated

equipment at the mine was considered as early as 1980 but was not approved until 1984. For most of that time Kennecott was owned by Standard Oil of Ohio (Sohio) in which British Petrolsum had a major-

ity stake. It was not until the Kennecott management captured the

attention of BP in London that the UK group decided to go ahead with the modernisation scheme - "at a time when put-ting money into copper was not a popular concept," Mr

Joklik points out.
The \$400m modernisation required the building of crushing and conveying facilities in the big pit; a new grinding-and-flotation plant nearby, and a pipeline transportation sys-tem between mili and smelter. A 5 mile conveyor belt transfers ore to the new concentrator - the world's biggest mate rials handling system, it is

Copper concentrates flow from the concentrator through a 17 mile pipeline to the smelter and there are two more pipelines of 13 miles each to take away waste. The concen-trator took \$200m of the total outlay and the recently-announced \$227m investment programme will place most emphasis on further expansion of this facility.

The expansion, which should be completed late in 1992, will increase the concentrator's processing capacity from 77,000 tonnes to 112,000 tonnes of ore a day. This, plus 30,000 tonnes of ore a day which will continue to be processed at two older concentrators, will boost Bingham's copper production from 235,000 tonnes to 270,000

tonnes a year.

Mr Joklik says that the 25year anticipated working life of Bingham will not be shortened because material previously planned to be mined as waste

will be processed as ore. The mine's copper produc tion costs are held down by the value of its by-products, including about 350,000 troy ounces of gold, 2.6m ounces of silver and 10m lbs of molybdenum. That helps put Bingham among the lowest-cost copper producers in the world, able to compete with the massive Escondida project in Chile, shortly to come on stream and

to produce copper at about 40

NOWHERE in the world does the mining industry harness economies of scale to the degree seen at CDM's mine on a site where the Orange River

bia's diamond coast. Vast amounts of material have to be shifted to recover the diamonds - 1,750 tonnes of sand to produce 25 carats of rough diamonds weighing about five grammes. And about half that weight will be lost when the gems are cut and pol-

meets the Atlantic on Nami-

CDM is shifting 46m tonnes of overburden or waste material and treating 17m tonnes of ore to produce less than 1m carats or 200kg a year of diamonds. The diamond-to-waste ratio is an astonishing 1 to 315m. They tell you at the mine that that is equivalent to picking just one second out of

10 years.
Depending on your point of view, CDM's mine either represents a monument to man-kind's gullibility and an enoris a tribute to the mining leave the secure part of tha

Material benefits

Consolidated Diamond Mines

For CDM's Diamond Area No 1 is in one of the most unceasingly hostile areas in the world, flanked to the east by the Namib desert, while to the west the Atlantic's icy Benguela current pounds away at the shore. Yet here a company town,

Oranjemund, with 9,500 people, has been established so that the diamond orebody can be worked. The orebody forms an attenuated triangle nearly 100km long with a width of 3km at its base in the south. For convenience, the working areas are split into five parcels of 20km in length.

In the mining area are a fleet of 336 earth moving machines and 1,300 light and heavy com-mercial vehicles which never

mine. Diesel fuel for this huge fleet is delivered twice a year to tanks on the shore from sea tankers which divers couple up to undersea pipelines.
All this in the name of secu-

rity which is both stringent and expensive. Anybody enter-ing or leaving the mine is lia-ble to be randomly selected for a body-search or X-ray. Heli-copter and vehicle patrols are conducted both day and night.

For the allure of this area is that it is sprinkled with dia-monds and 98 per cent of them are of gem quality and of rela-To get at the stones, overbur-den stripping is by either two bucket wheel excavators able to move 10m cubic yards of material between them each year, a dredge with an annual

capacity of 1.2m cubic yards, or

One of the outstanding sights at the mine is the larger of two bucket wheel excavators, an O&K S800 with the capacity to shift 1,500 cu m an hour. It operates in conjunction with a bridge conveyor system which moves the waste material about 100m from the advancing face.

Excavation of the bulk ore is by buildozer, hydraulic excava-tor and front end loader. The mine uses relatively low-capacity haul trucks: Caterpillar 769s with 35-tonne payloads. These are able to reach speeds of 85km an hour fully loaded for the relatively long haul to one of four benefication plants The heaviest diamonds tend to work their way down through the beachs and to rest



in holes and crevices in the bed-rock beneath. So final ming is by labourers who use brushes and pans to sweep the rock. There are also locally-developed vacuum cleaning machines on crawler units which sweep about 30 sq m an

Topping all this, in terms of making the Oranjemund mine unique, is the "Inshore Mining" project which pushes the

area available to be mined

300m out to sea. A massive wall of sand has been built which allows mining to take place 19m below sea level. The wall stands 10m shove mean sea level, is about 60m wide at the top and, when I visited the mine last summer, was 600m

> There is a constant fight to keep the wall in shape. It took about 11m cu m of sand to

build it and some 2.5m cu m down from just over 1m carats have to be replaced each year to compensate for erosion. The combination of a high-

valued product, ease of con-cealment and the vast scale of the mining operation makes security and loss control more crucial than in any other type of mining. CDM last year was particu-larly concerned about diamond stealing syndicates at work

inside the mine. Perhaps the most obvious indication that something was not right came from the pan-and-brush brigade. Sweepers are offered hefty bonuses if they find any

In 1988 more than 8,000 "pick up bonuses" were paid. By the end of June last year there had not been one.

in the same year CDM recovered stolen diamonds worth R9.2m (about \$6m at that time) and its security staff believe this was only a very small percentage of the value of stones smuggled out of the mine. In 1988 the mine's official production was 934,242 carats,

in 1987. The aim is to keep annual production between 800,000 and im carats for the next 10 years.
This will partly depend on the attitude of Namibia's new-ly-elected Swapo government.

It is unlikely to leave the mine ownership as it is. CDM already contributes between 10 per cent and 16 per cent of Namibia's gross domestic product and accounted for 23 per cent of its export income in 1988, as well as paying R155.9m in taxes (13 per cent of all Namibian taxes paid in the

Swapo has indicated it would not nationalise CDM but most observers believe the govern-ment will want to take a substantial stake in the company. De Beers does not seem averse to having the government as a partner but suggests strongly that, as taxation already absorbs 70 per cent of CDM's profit, the company cannot bear any additional load.

Kenneth Gooding

NOW THE SUNGAZER HAS A CHANCE TO LIVE UP TO HIS NAMF

That's because the South African coal mining industry is taking steps to protect this rare species which is largely confined to a relatively small area of southern Africa. The industry's involvement stems from the fact that the survival of Cordylus giganteus is closely linked to coal mining practices.

are for the environment and its many resources is a fascinating subject and a major worldwide issue that attracts considerable media interest. For the sungazer lizard, however, the extent of man's care for the environment has a direct, immediate bearing on its very existence. Simply, it is a matter of life or death. Nature has dictated that this

rare, pre-historic creature be found only in a particular type of grassland that occurs predominantly in certain areas of southern África. It is here that the sungazer lizard excavates his burrows in the area's silty fine sands, blissfully unaware that his home and very survival is under threat. For, as nature would have it. not too far below the passages that it burrows lie rich seams of coal which other excavators are keen to tap. But, to do this, man has to mine the surface to pluck out the coal.

Sungazer's survival hangs in the balance, particularly if its grassland home is cleared indiscriminately to make way for opencast and underground coal extraction and for the building of coalfired electrical power stations.

But, fortunately, the sungazer is not doomed. South Africa's coal mining industry is well aware of its plight and is anxious that Cordylus giganteus survive. The sungazer deserves protection - if for no other reason than that this creature made the coal-producing region its domain thousands of years before coal miners began working it.

So, concerted efforts are now being made to ensure that the sungaz will still be there - gazing lazily at the sun, as it is wont to do - long after the region's last coal seam has been mined. A rescue exercise set up to save the species has the full support of the South African coal

mining and power generation industries as well as assistance from nature conservation specialists and THREATENED BY EXTINCTION Today, entire sungazer colonies threatened by extinction from ground clearing activities related directly or indirectly to the region's coal mining

are being carefully translocated to nearby areas within its natural habitat where the lizard can live and thrive, unhindered by mining activity.

Great pains have been taken to first research the sungazer and his habits to ensure that the transfer and resettlement is

carried out smoothly and in an appropriate manner. A pilot translocation project, in which some 278 sungazers were moved from soon-to-be mined land to farmland in the vicinity of a combined colliery and future power station site, has shown that sungazers readily adapt to, and adopt,

man-made burrows as new homes. The original site has grown since its creation in 1983 and today forms part of an officially recognised private nature

serve where other species of fauna have also been introduced.

For Cordylus giganteus the rescue is the happy ending to what would otherwise been a sad saga. For the coal mining industry, however, concern over the survival of this rather unspectacular lizard species and the action taken to protect it, s just one small way in which the industry is taking pains to ensure that its mining activity does not destroy the

The conservation of creatures great and small and the careful management of natural resources of every kind has always been vitally important to the country's coal mining sector. In fact, the industry's own official Code of Conduct, which regulates the way in which opencast mine land is rehabilitated, pre-dates the issue of government rehabilitation laws.

The industry's willingness to selfregulate its activities in a responsible manner without being compelled to do so by Statute has led to the development of a close working relationship with environmental legislators. Coal industry experts play a key role in helping legislators formulate practical, effective laws to govern environmental protection in mining areas.

COMMITMENT TO THE ENVIRONMENT The industry openly maintains that the extraction of every last possible ton of coal from every last hectare of workable ground is something that it owes its shareholders. But, at the same time, it does not consider its commitment to the care of the environment to be, in any way, in conflict with this principal mission of optimum resource utilisation. It believes both objectives can be attained if mining is

carried out in a responsible manner and is complemented with sound environmental

At the heart of the industry's commitment to the environment is a philosophy of Integrated Environmental Management (IEM). It was devised with the assistance of outside environmental me assistance of comprises a series of practical manuals which set out a wide range of environmental protection obligations that mines must meet, including the vegetation of residue deposits, the addressing of pollution problems and hydrological disturbances and the rehabilitation of land disturbed by

surface coal mining.

By examining each aspect of mining, the
IEM process considers the environment at every stage of the life of a project - from analysis of the pre-mined land till final closure of the mine and beyond. IEM's value in keeping decision-makers in both industry and government well informed of the consequences of every decision they take is widely acknowledged. So much so that IEM principles now form the basis of the Environment Conservation Act which

was promulgated by government in 1989.

By following IEM principles, decisionmakers can elect courses of action that are least likely to have a negative impact on the environment. Disruption and damage of varying degrees are, however, unavoidable at times. Fortunately, coal mining at any one site is a temporary activity and, with planning and foresight, these disruptions can not only be minimised during mining, but also quickly repaired after mining activity is

The South African coal mining industry adheres to a policy which requires that

ted after coal extraction now yields over 10 tons of hay per hecture and has a livestock corrying capacity up to 20 times greater than nomined virgin pastureland.

mined areas be returned to a form and

level of productivity at least equal to the capability of the land prior to mining. The original composition of the land, its makeup in terms of soil and vegetation type and the farming or other activities it can naturally support is established and detailed in a pre-mining environmental study which is drawn up by a multidisciplinary team consisting of miners, engineers, accountants, personnel experts, metallurgists, geologists, lawyers and environmentalists. Among other aspects, the following are

studied in detail: surface and underground water resources, soil, climate, vegetation, wild life, land use and local infrastructure. The findings are contained in a

rehabilitation plan which spells out how the impact of mining on the environment will be minimised, how rehabilitation will be carried out, managed and financed, and, lastly, to what use the land can best be put to after mine closure to ensure the continuation of a stable ecological

LEGALLY BINDING

The rehabilitation plan is not merely an academic exercise. Government authorities are involved in its draughting and the plan has to be registered before mining starts. Once they have been approved and accepted, the provisions of the rehabilitation plan become legally binding on the mine.

This comprehensive environmental protection process requires tremendous funding. Latest available annual figures show that the country's three major coal mining houses, which produce some 60% of South Africa's coal, spent more than

R50-million on environmental protection of which R35-million was channelled into land rehabilitation.

Though every cent spent on environmental protection and land rehabilitation reduces overall mining profitability, the industry maintains that it will continue to seek cost savings through alternative efforts, like technical innovation and sound people and financial management, rather than compromise its stand on the environment. Its official stance is summed up by the statement: "If environmental considerations made us unprofitable we wouldn't mine. After all, we are only temporary users of the land. It is going to be inherited by our children and will continue to be used by generations of their children."

This attitude is already paying dividends. Early land rehabilitation results show that once-mined land provides yields of over 10 tons of hay per hectare after rehabilitation to pastureland. And, livestock carrying capacity of the land after rehabilitation is typically between three and 20 times higher than that of natural unmined grazing land.

The results are encouraging. They show that coal can be mined intensively without sacrificing a natural heritage. They show that major coalfields can be exploited profitably without creating a wasteland. And they show that, even for the sungazer lizard, there'll always be a place to bask in



Issued by the Chamber of Mines of South Africa.

THIS MESSAGE IS PUBLISHED BY THE SOUTH AFRICAN COAL MINING INDUSTRY TO PROMOTE RESPONSIBLE MINING AND CARE FOR THE ENVIRONMENT

Maurice Samuelson profiles Rheinbraun, West Germany's chief lignite producer, and (below left) its show-piece mine, Hambach

How Germany's big digger profits from moving the earth

HALF an hour's drive from Cologne, some of the world's biggest mobile land-based machines are digging 50m tonnes of coal a year from a hole 5km long, 3km wide and which will eventually be half a

kilometre deep. The hole, from which they also remove 310m cu m of earth each year, is the Ham-bach mine, which recently started supplying lignite to the Rhineland power stations and which will continue to do so for the next half a century. Its machinery, lay-out and sheer scale represent the latest achievements of Rheinische Brannkohlenwerke, the chief West German producer of lignite, the semi-bituminous brown coal, and one of the leading international expo-

nents of opencast mining. Hambach mine is also a showpiece for the way opencast mining companies can repair or offset the damage they inflict on the human and

Geology as much as engineering skill has given Germany its prominent place in the world opencast industry. Several parts of the country, in the east as well as the west, are blessed with huge reserves of lignite, which are close to the surface and covered by sand or other soft material which would present problems for underground mining.

The Rhineland-Westphalia area contains 55bn tonnes of reserves, comparable to the combined energy resources of Iran and Iraq. Some 35bn tonnes are economically recoverable, which, at the present rate of extraction, would last 300 years, the same life expectancy commonly claimed for the coal reserves of Great

Knowledge of the Rhineland's lignite deposits goes back nearly 2,000 years when Tacitus, the Roman historian, referred in his book "Germania" to outhreaks of sponta-

earth". But it was only in the last century that the German lignite, with a calorific value one third that of hard, black coal, began to be mined sys-

In the 1870s, machines were introduced to turn it into bri-quettes, mainly for home heating. This process continues and supplies a lively export trade. But in 1912, the Rhinelanders also opened the first lignite burning power station, and lignite has since been used primarily for electricity generation. It is West Germany's cheapest fuel and supplies 20 per cent of power station fuel

Originally there were scores of mining companies at work. But many were forced to merge or close as the shallow out-crops were exhausted, and costs of deeper mines esca-lated, together with the size and depths of the pits and the machines required to excavate

In 1949, the four remaining

lignite companies of the Rhineland were merged into Rhein-braun by the big electricity utility, Rheinische Westfälische Elektrizitätswerke (RWE), which had been involved in lignite burning since the 1920s and by 1959 owned three of Rheinbraun's

constituent companies. Rheinbraun's 15,000 employ ees currently produce 110m tonnes a year of lignite, of which 80 per cent goes to four RWE power stations, With an installed generating capacity of nearly 10,000MW, the plants produce nearly a fifth of West Germany's electricity and 40 per cent of demand in the Rhine/Westphalia area.

The remaining lignite is pro-

The remaining lignite is pro-cessed as briquettes and various grades of coke for industry. It is also starting to be used as a feed stock for advanced gasfired turbines which RWE believes may one day play an important role in "clean" and more efficient methods of elec-

Rheinbraun also has widespread overseas interests. It is partner in uranium and hard-coal mines in North America and Australia and, through its consultancy arm, helps to design lignite mines in countries as far affeld as Turkey, India and Indonesia. At the time of the first world

oil crisis, in 1974, the federal government asked Rheinbraun to increase its production by 50 per cent. The company refused, on the grounds that this would have meant creating another big mine, and that this would been more than the Rhineland could bear. Even so, output was stepped up by 20 per cent from existing mines. In spite of Rheinbraun's large share of the domestic

power station fuel market, production is concentrated in only five, admittedly large, opencas mines – Fortuna, Bergheim, Garzweiler, Hambach and Inden. Except for Hambach, which will eventually be 500m deep, the others range in depth

Because of their size, the German mines have a profound effect on the area in which they are situated. Surface and underground water has to be carefully controlled, collected and channeled both

during the development of the mines and the simultaneous land restoration. They embrace not only valuable farm land, but rural communities which have to be uprooted and re-settled. Since the Second World War, 30,000 Rhinelanders have evacuated their homes and villages to make way for the lignite mines. Even churches have been knocked down. Only the

dead have been left undis-turbed in the churchyards. In Germany, talk of a new mine still arouses concern. But so far, Rheinbraun claims it has never failed to win a plan-ning application. "In the traditional mining areas, we are tol-erated and even respected", it

This is testimony to the general reputation of the mining companies and the high prestige of the industry and its record on land restoration. Since the Rhineland lignite

is covered by an overburden of rich brown loess soil, it is ideal for fertilising rich new agricultural areas where mining has been completed. Sugar beet, wheat and barley grow as suc-cessfully on these new fields as in untouched farmland, says Rheinbraun, Imaginative landscaping of non-arable land is also used to provide new amenities such as lakes and recreation areas stocked with a rich ecology of trees, plants, ani-

The vast dump which screens the western rim of the Hambach mine is being planted with 80 species of trees. Imaginatively laid out for walkers and picnickers, it has been called the Sophienhōhe (after a mine official's wife) and is a haunt for fallow deer, foxes, rabbits and hares.

From its slopes one looks westward across sleepy farms and villages towards the borders of Belgium and Holland, scarcely aware of the huge mining operations in the artificial valley less than a kilometer away onm or ex

to the east. The area's rich archaeological past, including its Roman remains, also has to be unearthed and protected. The first modern village demolished to make way for the Hambach mine lay astride a Roman road from Cologne to

Stretches of that road, along which Tacitus himself might have travelled, were preserved by being glued on to fabric and later relaid. Among remains found by archaeologists were those of a Roman villa complete with family altar a valuable bronze statuette of the god Apollo.

Rheinbraun now shows it proudly to visitors, a symbol perhaps that "where there is muck there is bronze".

Hambach the heavyweight

RHEINBRAUN'S Hambach mine is a show-piece for the specifically German method of opencast operation. An advertisement for the "big is beautiful" school of engineering, the large name plates on its equipment provide a "who's who" of Germany's heavyweight

machinery industry. The German opencast method consists of continuous mining with the minimum

number of large-scale inter-connected machines The area of the Hambach mine consisted originally of forest and farmland. In order to make way for it, the 300 Steinstrass voted to accept resettlement in new homes provided by Rheinbraun. Planning for Hambach began in the 1960s. It was intended to replace the depleting reserves of another Rheinbraun wine

theinbraun mine. The 1970s oil crisis gave it new urgency. In 1974 it received government approval; removal of overburden to began in 1978 and the coal started flowing at the beginning of 1984. By 1987,

1.3bn tonnes of overburden had been shifted. It now year, 24 hours a day, six

days a week. With its six to one ratio of overburden to lignite, 300m tonnes a year of sand and gravel will have to be moved when lignite production reaches its 50m tonnes a year

target.
The final target is to shift 2.7bn cu m of overburden, of which 1.7bn will be used to site of two older mines. Another 1bn cu m is going into the Sophlenhöhe dum on the western edge of the Hambach mine, which is being imaginatively developed into a wooded recreation area. It currently employs 2,000 people but this will increase to 3,000 at peak production.

The mine's total investment

is put at some DM5bn, divided evenly between engineering costs and the purchase of the ment, and due to be repaid in about 20 years. This will depend largely on the skill with which the mine's equipment is operated and maintained. According to

preventive maintenance schedules account for up to 40 per cent of total costs.

The mine's sinews consist of huge bucket-wheel excavators, which incessantly scoop up the overburden and the coal; the belt conveyors on which the material is transferred; and the stackers which unload it in stockyards or as landfill.

The bucket wheels are designed to eat night and day into the earth walls of the mines and its seams of lignite. Five are currently working on five of the benches, or ledges, which line the mine's inner slopes. A sixth is under construction on site. And two construction on sine. And two more are due to be installed by the mid 1990s, as the mine reaches its maximum depth of half a kilometre and reaches maximum output of 50m tonnes of lignite a year and 310m cu m of overburden.

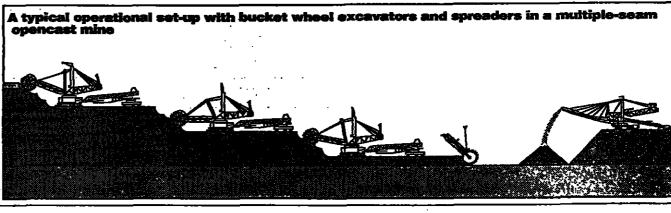
These steel leviathans, the biggest ever built in Germany, can gobble up 240,000 cn m of material a day. Manned by a five member crew, they are half the height of Cologne Cathedral and cost DM150m a piece. Their insatiable appetite will be the main

factor in moving the whole mine eastward at the rate of 100m a year.

The mine contains shout 70km of high speed conveyor belts one meter wide which cost about DM10m per kilometre to install. They are kept spinning by large Krupp drive stations posted at regular intervals along their length. The belts converge at a central stocking point, from where overburden is redirected by new belts travelling to infill areas and coal feeds on to Rheinbraun's own fleet of trains serving the

power stations of RWE and its own briquetting works. Rheinbraun sees Hambach as the latest stage in opencast mining technology. Until recently, the workhorses of the industry were draglines and mechanised shovels. The shovels in particular were expensive to operate — each shovel needed a driver and

required frequent expensive changes of tyres. Although dearer to install, the belt conveyors were proving cheaper in the long run and large numbers have been installed in Germany in the past 10 years.



AUSTRALIA

Resource-rich world leader

AUSTRALIA is the world's largest coal exporter, with shipments nudging 100m tonnes in 1989. The bulk of this coal comes from large scale opencast mines in the states of New South Wales and Queensland. Significant opencast coal mining also occurs in Victoria, but production is used solely for domestic electricity genera-

As with coal mining throughout the world, the Australian industry began by using underground extraction methods. Opencast coal mining did not begin in Australia until 1932 in New South Wales. The method was introduced in Queensland in 1936 and grew quickly because of increased coal demand to meet the Secand Warld War effort

Australia's growth since the late 1960s from relative coal export obscurity to the world's leading supplier has been mainly based on large-scale, low cost opencast mining methods. The bulk of the surge in growth came from Queen-sland where 92 per cent of production now comes from open-

In New South Wales, where the industry is older, with more of an underground herimore of an underground lear-tage, about 40 per cent of out-pout now comes from opencast mines. But this reflects rapid growth from a figure of just 7

per cent in 1970. Queensland hosts the eight biggest opencast coal mines in Australia, and 14 of the largest 20. The largest and best known group in the state is operated by BHP Utah, a subsidiary of Australia's biggest company, the Broken Hill Proprietary Company. BHP-Utah's mines are located in the Bowen Basin region, one of the most accessi-ble and highest quality coal areas in the world.

The region covers an area of 75,000 sq km of Permain age marine and freshwater sediments and is roughly triangu-lar in shape, containing reserves of about 26,000m tonnes, much of it outcropping within 60 metres of the surface. Annual coal production from the Bowen Basin has risen from a mere 750,000 tonnes in 1960 to 56m tonnes in 1989,

with about 35m tonnes pro

COAL MINESTONE SERVICES

GEOTECHRICAL CONSULTANCY SOIL MECHANICS, CLAY MINISPALS EVALUATION &

SITE INVESTIGATION
 LABORATORY TESTING
 MONITORING OF
 PERFORMANCE

ADVISORY SERVICE. RESEARCH STUDIES & ANALYSIS

INSTRUMENTATION CORROSION ANALYSIS

COMPOSION ANALYSIS
ASSESSMENT &
EVALUATION OF
MINERAL RESERVES
MINERALS MANAGEMENT
QUARRY & TIP SURVEYS
SAMPLING, TESTING AND
EVALUATION OF
CAY MINERALS

Victoria Road, Habburn. Tyme å Wear NE31 2XQ

duced by BHP-Utah. Typical of the scale of the BHP-Utah operations is its third biggest mine, Saraji, which exploits reserves in the Dysart seem, between 4m and 6m in thickness. The seam is covered in overburden ranging

The Saraji workforce num-bers 630 and the mine extends over 24km, broken into eight adjacent mining pits. Overbur-den removal is by explosives placed in drill holes, using three rotary drills and a bulk explosives mixing truck. After blasting, electric draglines of 48 cu m bucket capacity remove overburden into the previously mined area, where ultimately, it is reclaimed and

in depth from 18m to more

In areas where the overburden depth is too great for the dragline to handle, a truck and shovel operation using one large electric shovel and five 182-tonne rear dump haul trucks is used to pre-strip to levels where the dragline can

Once uncovered, the coal is drilled and blasted, where necessary. Electric shovels and rubber-tyred loaders load the coal into 136-tonne capacity

the mine, the coal seam is split by shale bands of half to one and a half metre thickness. This coal is recovered with a mobile scraper and dozer oper-

Utah's second biggest mine, Goonyella, has the biggest overburden removal task. This has forced the company to employ its first bucket-wheel excavation system with an associated conveyor belt sys-tem for pre-stripping. Use of the system illustrates a growing problem for BHP-U-

tah as most of its opencast mines are forced to employ deeper pits, necessitating pro-gressively greater overburden removal. Pre-stripping methods naturally add to costs, and ultimately the BHP-Utah mines will probably have to move Statistics from the Queen-

sland Coal Board clearly show the greater productivity of the state's opencast coal mines compared with their underground counterparts. The average output of saleable coal per man year in opencast mines rose from 7,669 tonnes to 8,179 tonnes in 1988-89. That compared with a rise from 2,529 tonnes to 2,654 tonnes in underground operations. Similarly in New South Wales, Joint Coal Board statistics show average raw coal output per manshift in the state's opencast mines at 35.5 tonnes in 1988-89 compared with 15.4

tonnes for underground mines.
The state of Victoria's coal reserves are located in a region known as the Latrobe Valley, about 200km north-east of Melbourne. The total economic resource has been estimated at 98,000m tonnes of lignite (brown coal), and it is mined at a rate of about 45m tonnes a year to generate electricity for

the state. The coal seams extend almost continuously for 70km and are 25km wide in some areas. Seams range in denth from 30m to 200m, with overburden depth averag the most favourable areas. Coal for electricity generation is won from three opencast mines at Yallourn, which began in 1924, Morwell, which began in 1955, and Loy Yang, where development began in

the mid 1980s. The Loy Yang project is one of the largest ever in Australia, and mining is carried out by dredges, capable of winning up to 60,000 tonnes of coal a day.

Bruce Jacques

the trees are not quite the scenes that you would automatically associate with opencast mining. But that's what Coal Contractors aim to

fields of clover and birds nesting in

RABBITS scampering through

bequeath when we've done our job and moved on.

conservation groups, wildlife

reclaiming pitfallen land by making the area safe then rehabilitating the subsoil and topsoil for agricultural use.

Of course, not all sites return to

Mother Nature. Some, like the new Dudley enterprise zone, are retrieved for building

purposes.

Coal Contractors are the leading producer of

licensed and private opencast

These are the only holes we leave behind

societies, local authorities and landowners to ensure that the site we leave behind is as good as - or better than - the one we found.

This may mean dedicating part of the land to become a wildlife corridor; or

coal in the United Kingdom. We supply all grades of fuel - especially those with low chlorine and low sulphur.

Because they're kinder to the sort of environment we're trying to create.



UK mining and minerals subsidiary of NSM plc. Mansfield Road, Corbriggs, Hasland, Chesterfield, S41 0JW. Telephone: (0246) 221880.

08K. The biggest range anywhere of plant, equipment and systems for earthmoving, processing and materials handling.

Oak gets everything moving in concert with PWH

OPENCAST MINING 5

UK CONTRACTORS

Environmental factor exerts its influence

chean imports.

reach top gear.

s around 25m tonne

However, it expects its pri-

vate output to rise signifi-

cantly in the near future as work has just started on sev-

eral sites which have yet to

Two of the higgest construc-tion names in the UK, Taylor Woodrow and Wimpey, occupy fifth and sixth places in British Coal's table with 9 per cent and

7 per cent of output respec-

Taylor Woodrow's fame in

opencast in recent years has been as the contractor at But-

terwell in Northumberland, for

many years the largest open-cast site in the country. Hav-

ing produced 12.94m tonnes

top this year. Work started in

ing coal from three other sites
– all a lot smaller than Butter-

win four or five more contracts

this year, according to Mr Mike

Batchelor, Taylor Woodrow's mining director.

'i am only optimistic

if the Department of

Environment is more

sympathetic to us, and

if the market does not

go for cheap imports'

are very tight, "In fact I do not think there are any margins at all on some jobs, he com-ments. But Mr Batchelor is

confident that the planning dif-ficulties facing British Coal are being ironed out and does not

feel there will be a steep dip in

The planning authorities now seem to be taking a much more realistic view of opencast

mining, although they are imposing very strict conditions

which are becoming increasingly difficult to meet.

Wimpey Mining is currently working on 10 sites, including three which it is restoring after

extracting the coal and two

other private attes. It is currently bidding for two more

contracts from British Coal. It employs about 600 in its

opencast operations and extracted 1.4m tonnes of open-cast coal last year. Its biggest contract for British Coal is the 3.3m tonne Fros Las site in

Dyfed which was hit by flood-

ing in February. Other sites

include the 1m tonne Gilfach lago near Ammanford in Wales and the 2m tonne Potatopot

Mr Del Rees, Wimpey Min-ing's engineering director, feels

that the growth of the Green movement is having an effect.

Graham Anderson

workload.

Competition in the sector is

The vast bulk of opencast coal mining in Britain is carried out for British Coal whose opencast output was around 17.5m tonnes in 1989, roughly 20 per cent of total UK coal produc-

EZDAY MASOIS

in a multipleme

eader

್ರ-ಚಾನ್

movin

ocessi

British Coal is responsible for identifying likely sites and applying for and — it hopes — winning planning permission.

Once that is done, it puts the job of extracting the coal out to

Perhaps the dominant name in the sector is A.F. Budge, the privately-owned civil engineering and mining company. In 1988, Budge alone was respon-sible for 20 per cent of British

'Environmental pressures continue to mount and these are translated into more stringent planning conditions'

Coal's opencast output, the highest figure for any one com-

pany.
Mr Richard Budge, manag-ing director of Budge's mining operation, estimates that his company currently accounts for 22 per cent of total outcast output - though the latest fig-ures from British Coal for the period from January to November 1989 say Budge was respon-

sible for 17 per cent. Either way the company is a leading force in the sector. It is currently extracting coal from eight sites, the biggest at West Chevington near Ashington in from a site covering 826ha, coal production is due to finally Northumberland.

According to British Coal's figures, Budge has been joined at the top of the 1989 output league by Crouch Mining.

In 1968, Crouch was responsi-ble for 11 per cent of British Coal's output. British Coal's figures for the 11 months to last November show that Crouch's market share has risen to 17 per cent.

Crouch Mining currently has seven opencast sites in Scotland, the north of England and the Midlands. It employs about 700. It is working on two of the three biggest sites in Britain, the 15m tonne Dalqubandy site near Coelburn in Lanarkshire, and the 12.2m tonne Stobswood site near Morpeth in Northum-

It started work on the £150m. year and is due to complete work on the 460ha site in 2002. Crouch Mining changed its name from Derek Crouch (Con-

tractors) after the 1987 takeover by Ryan International. Extra resources have allowed it to bid for bigger contracts and workload has increased considerably in the past few

Planning problems and the causing it some concern but a Crouch spoke the company was looking for-ward to the prospect of British Coal being privatised and to when the government acts on its recent proposals to raise the threshold for private opencast

We have no private sites at the moment because we have not felt it to be worthwhile. There may be prospects in the future. But we are still concerned about whether we will be able to push forward because of the planning situation," said a company spokes-

Third and fourth in British Coal's league table are Coal Contractors, owned by NSM, and C.P. Holdings, both with 11 per cent of British Coal's open-

cast output.

C.P. Holdings is currently operating five British Coal contracts through three subsidiaries, Shand Mining, Murphy Brothers and Currall, Lewis and Marsin The levest is at and Martin. The largest is at Coalfield North in Laicestershire which covers 182ha and contains 7.5m tonnes. Shand Mining started work in 1982

have only two political prob-lems — you and the gypaies." Since then, Mr Proctor and

C.P. Holdings and its subsid-

currently bidding for two more contracts. Mr Bernard Rural England, Greenpeace Schreier, its chairman, says and Friends of the Earth fear the company will bid for anything that is going. He is more cautious about the sector's prospects than some of his competitors. "I am only optimistic if the Depart-ment of Environment is more They have been backed by miners and their local authority sympathisers who identify

sympathetic to us. And I am only optimistic if the coal marenemy rather than the ally of underground mining.
The difficulties stem largely ket as a whole does not go for NSM's Coal Contractors is from the fact that, in sharp different from many of its rivals in the emphasis it puts contrast with West Germany, which boasts a small number on private opencast mining as well as working for British Coal. It is working nine sites for British Coal and is operat of very large opencast sites, opencast mining in Britain takes place in a multiplicity of small sites, often close to built ing a further eight in the private sector. Its total coal out-put last year in both sectors up areas. They all have to be submitted to scrupulous vet-ting procedures before gaining

approval.
Since the average coaling life of an opencast site in Britain is only five years, this means that 20 per cent of capacity has to be replaced every year

WHEN Mr Ray Proctor took over as bead of British Coal's Opencast Executive three years ago, a local politician told him. In this county, we

his colleagues have been conducting an uphill fight to improve the image of one of Britain's most controversial industries. They have done so in the face of rising public sensitivity over the environment and the belief that opencast mining is hastening the rapid downfall of Britain's large

taries employ around 550 in underground coal industry.

total in opencast mining. It is Organisations such as Organisations such as the Council for the Protection of that the countryside may be callously sacrificed in the relentless drive to make Brit-ish Coal a profitable concern.

cast coal mining as the

Maurice Samuelson on British Coal's image building process

Ugly blots on the landscape

in England and Wales last year, 42 opencast sites were in production. But in the same year 10 sites ceased coaling and British Coal contracted

with private concerns to extract coal from 11 more Permission was won to mine on five sites but seven other applications were refused, of which British Coal finally won four on appeal to the govern-

Several consultants and academic geologists have suggested that British Coal should grasp the nettle by concentrating its opencast activi-ties in a small number of very

large mines.
However, apart from the fact that this would provoke political problems, there are only a limited number of possibilities. limited number of possibilities for such projects and there is no sign of British Coal following their advice.
In the meanwhile, however,

events appear to be moving remorselessly in favour of a bigger opencast sector. Last year, opencast production reached a record 16.8m tonnes. In the same year, deep-mined output, at 85m tonnes, was the second lowest for more than 40

In Scotland, the contrast is even more dramatic. Some

merely to maintain a steady 3.5m tonnes was produced from 11 sites while the once proud deep-mined sector, now reduced to a single colliery,

produced only 1.9m tonnes.

The opencast coal helps to sweeten the rest of British Coal's business, both finan-cially and technically. With a far lower production cost than that of the deep mines, the Opencast Executive contributed some £250m of operating profit to the corporation's bot-

tom line. Because of its lower chlorine content, much of the opencast coal is blended with deep mined coal to make it more suitable for power station boll-ers. Opencast mines also pro-duce half the country's anthracite, reducing the need for even greater imports of this specialised coal most of which is already bought abroad.

Opencast coal mining also

Opencast coal mining also provides jobs for 15,000 people. They are employed by some 25 contractors which operate the opencast sites on British Coal's behalf. They include some of Britain's leading civil engineering concerns, such as Taylor Woodrow, Wimpey, Amey Roadstone and Sir Alfred McAlnine.

Other well known operators are Derek Crouch (now part of Ryan International), Budge, H.J. Banks, C.P. Holdings,

Britain's opencast



Lomount, Bayford, Raymin, Miller, Kier Mining, Northern Strip Mining, Fairclough Par-kinson and Coal Contractors. Meanwhile, the Opencast Executive is trying to win the environmentalist argument. It faces a widespread belief that opencast workings are blots on he landscape which cause far-reaching damage to agricul-ture and wild-life, as well as dust, noise and traffic hazards to local communities.

the coal it wishes to mine is not on pastoral greenfield sites but near old underground workings which have never been satisfactorily restored. British Coal says that by removing the residual coal from these old shallow workings it will actually be improving their appearance and enhancing their environmental

Last year, a fifth of the sites which received planning con-sent were said by British Coal to be "encumbered with dere-liction - spoil heaps, abandoned mineral workings, delap-idated buildings."

As part of the opencast operations on them, the dereliction would be cleared up at no cost to the public purse and the land restored to beneficial use. Over the past 20 years, some 16,000 acres of derelict land has been reclaimed to a standard which British Coal claims as "the highest in the

But many local authorities prefer, it seems, to let sleeping coal tips lie rather than invite the new industrial activity involved in their ultimate elim-

It was only after a prolonged planning battle that British Coal recently won permission to reclaim some 2.25m tonnes ugly black spoil heap left by the former Denby Hall colliery, near the famous Denby pot-

Nothing grows on its soggy dangerous hillsides, whose only sign of wildlife are noisy motor-cycle dirt riders. But that did not deter a vociferous rearguard campaign against the mining-cum-restoration

proposals. For the time being, too, British Coal has not yet secured permission to mine and restore the Cutacre coal tip in Lancashire, said to be the biggest eyesore of its kind in Europe.

After nearly two years of dis-cussion with planning officials and environmentalists, the plan to extract the coal under the tip is still held back partly because of the anticipated effect on local housing and partly on the tip's own "inhab-

These are the colonies of great crested newts, shy amphibians which breed in its ponds, and for whom alterna-tive accommodation is being

exhaustively discussed.

Meanwhile, British Coal is engaged in a constant publicity campaign to demonstrate its environmental commitment. In the past five years, for example, the Opencast Executive has established 14 nature reserves, seven lakes for angling and water sports and seven golf courses, with more under way or planned.

The creation of the Rother Valley country park, in York-shire, with three lakes and 350,000 trees, is attracting about 700,000 visitors a year.

Our latest trucks should tell you how big our mining operations are. 147699111

The 170 ton Caterpiliar 789 dumper trucks are the largest operating in the UK.

And the fact that these machines cost in excess of £750,000 aplece, demonstrates our commitment to open-cast mining.

They operate at the Butterwell site in Northumberland, where we're contractors to British Coal, on the site that holds the UK weekly output record.

Also in Northumberland we've recently won a multi million bound contract to work over a million tonnes of coal near Morpeth.

In addition to coal we are heavily involved in mineral extraction through our Greenham Group of companies which also supplies clothing, footwear, equipment and services to the industry.

But keeping the business in the family isn't difficult when teamwork and enterprise has made us an international force in four related business areas.

In construction we are leading building and civil engineering contractors, designers and consultants,

in housing our quality developments bring success in Australia, Canada, Spain, the UK and USA.

In property our achievement is due to carefully developing a balanced, high quality portfolio.

And in trading we provide many products from videos to tools, and aggregates to ready-mixed concrete.

These four sectors have made us a company with a wealth of resources,

So, on the face of it, big is beautiful.

Forturther information, please contact Trever Jones, Taywood House, 345 Ruislip Road, Southall, Middlesex, UB1 2QX. Tet: 01-575 441 1.

> TAYLOR WOODROW 222

Skill and technology pulling together worldwide.

"Environmental pressures con-tinue to mount and these are translated into more stringent planning conditions," he said. But he added: "The industry is confident that these can be

NATIONAL MINERALS DEPARTMENT (Coal, Construction/Industrial minerals,

brick, cement & waste disposal) **VALUATION & FINANCE**

To value and maximise assets **PLANNING & THE ENVIRONMENT** To satisfy need for coal and other minerals and waste disposal

RATING & MINERAL LAW To minimise overheads and liabilities

William Voaden Paul Devonshire Grimley R Eve

Mellier House, 26a Albemarie Street, London W1X 3FA Tet: 01-895 1515

Also at: Birmingham, Manchester, Leeds, Bristol and Glasgow

